

Comprehensive Annual Financial Report

For Fiscal Year Ended June 30, 2006



**Public
Employees
Retirement
Association
of Minnesota**

**Pension Trust Funds
of the State of Minnesota**



COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2006

Pension Trust Funds of the State of Minnesota

75
*Years of
Service
to
Minnesota's
Public
Employees*

BOARD OF TRUSTEES

- Steven L. Devich** — Board President, Elected Membership Representative
Dennis Hegberg — Board Vice President, Counties Representative
Patricia Anderson — State Auditor
Ross E. Arneson — Elected Membership Representative
Marcia Farinacci — Annuitant Representative
Kathryn A. Green — School Board Representative
Dawn M. Hulmer — Elected Membership Representative
Richard L. Jacobsen — Public Representative
Thomas L. Marshall — Elected Police and Fire Representative
Gary R. Norstrom — Elected Retiree/Disabilitant Membership Representative
Don Rambow — Cities Representative

EXECUTIVE DIRECTOR

Mary Most Vanek

REPORT PREPARED BY:

Finance and Executive Division Staff

- David DeJonge** — Assistant Executive Director, Finance and Information Services
David Andrews — Accounting Supervisor
Susan Thomas — Accounting Officer
John Paulson — Information Officer

Retirement Systems of Minnesota Building
60 Empire Drive, Suite 200
St. Paul, Minnesota 55103-2088
(651) 296-7460



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Introductory Section

Achievement Awards

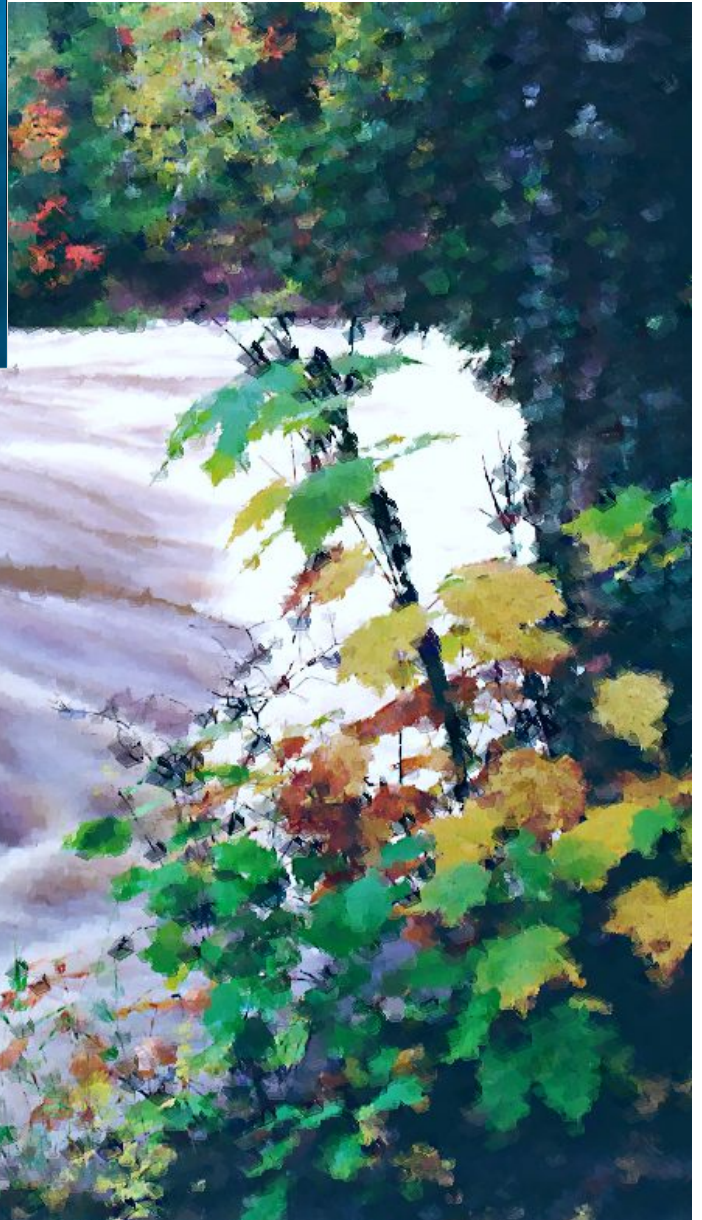
President's Report

Letter of Transmittal

Administrative
Organization

Board of Trustees

Retirement System
Plan Summary



Achievement Awards



GFOA

The Government Finance Officers Association (GFOA) recognizes public retirement systems that meet its rigorous standards for financial reporting with its annual Certificate of Achievement for Excellence in Financial Reporting. It is the highest form of recognition for accounting and financial reporting in the public pension sector. PERA received this award for our 2005 Comprehensive Annual Financial Report, the 21st time we have been so honored.



President's Report

Public Employees Retirement Association of Minnesota
60 Empire Drive, Suite 200
Saint Paul, Minnesota 55103-2088
Member Information Services: 651-296-7460 or 1-800-652-9026
Employer Response Lines: 651-296-3636 or 1-888-892-7372
PERA Fax Number: 651-297-2547
PERA Website: www.mnpera.org



Steven L. Devich
Board President

December 11, 2006

Dear Members, Annuitants, Beneficiaries and Governmental Employers:

This 75th annual financial report of the Public Employees Retirement Association (PERA) discloses financial, actuarial, and other related information about PERA and the funds it administers. On June 30, 2006, PERA's net assets available for benefits at fair value exceeded \$16.7 billion. This reflects an annual increase of approximately 9.5 percent.

Fiscal year 2006 was another good year at PERA. Thanks in large part to our alternative investments and international equities, the total rate of return for the assets of the active employees covered by PERA was 12.6 percent for the 12 months ended June 30, 2006. For the past 10 years, these investments outperformed the composite market return benchmark by three-tenths (0.3) of one percent, with a favorable annualized return of 8.8 percent. This rate of return is still above the fund's actuarial assumed annual rate of return of 8.5 percent.

As the active employees of PERA retire, assets required to cover expected benefits are transferred to the Minnesota Post Retirement Investment Fund (MPRIF) in which PERA has a pooled interest with other Minnesota statewide pension systems. The MPRIF supports the annuities payable to retirees and their joint annuitants. The market value of this pool of assets increased to \$21 billion at fiscal year end. PERA's share of that pool increased to \$7.7 billion. Over the past 10 years, the MPRIF has outperformed the composite market return benchmark by three-tenths (0.3) of one percentage point, with an annualized return of 8.3 percent.

PERA had yet another busy year. We rolled out a web-based program called My PERA that allows members to calculate their own benefit estimates online any time of the day or night using real-time data from their accounts. Over 12,000 members have already registered to use this new service. During the year we also updated our web site and replaced our phone system as part of our ongoing effort to provide excellent customer service to our members and employers.

We worked hard to keep costs down during the year as well. Post-retirement benefit increases were capped at 5 percent per year, though we don't expect to see increases above 2.5 percent for many years to come. We also worked with police and fire representatives to develop legislation that would add some sensible controls to our disability provisions, and hope to see that legislation introduced next year.

As always, our commitment as trustees of the association is the preservation and growth of the assets of PERA's funds, and the protection and furtherance of the interests of our members, annuitants, and beneficiaries. I believe our efforts over the past year have amply illustrated this continuing dedication as fiduciaries of the public employee retirement funds.

A handwritten signature in black ink, appearing to read 'Steven L. Devich', written in a cursive style.

Steven Devich
President
PERA Board of Trustees

Letter of Transmittal

Public Employees Retirement Association of Minnesota
60 Empire Drive, Suite 200
Saint Paul, Minnesota 55103-2088
Member Information Services: 651-296-7460 or 1-800-652-9026
Employer Response Lines: 651-296-3636 or 1-888-892-7372
PERA Fax Number: 651-297-2547
PERA Website: www.mnpera.org



December 8, 2006

Board of Trustees
Public Employees Retirement Association of Minnesota
60 Empire Drive, Suite 200
St. Paul, Minnesota 55103

Dear Trustee:

We are pleased to present this Comprehensive Annual Financial Report of the Public Employees Retirement Association (PERA) for the fiscal year ended June 30, 2006--our 75th year of operation. The information contained in this report is accurate in all material respects and is intended to present fairly the financial status and results of operations of the association. The report consists of five sections:

Introductory Section: Contains this letter of transmittal, the president's report, a summary of the membership requirements and the benefit structures of PERA's funds, and a description of the administrative organization and Board of Trustees.

Financial Section: Includes the basic financial statements, supplementary information, supporting schedules, management's discussion and analysis of PERA's financial activities, and the independent auditor's report on the financial statements.

Investment Section: Contains a summary of investment returns, asset allocation, list of largest assets and asset cost and market values.

Actuarial Section: Includes the independent actuary's certification letter, summaries of the actuarial assumptions and methods used in the annual valuation, and results of the June 30, 2006 actuarial valuation.

Statistical Section: Contains tables and schedules of significant data pertaining to the Association and identifies affiliated employers.

Responsibility for the contents of this report, including the financial statements, rests solely with the management of the association. This transmittal letter is designed to complement Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The MD&A begins on page 18 in the Financial Section of this report.



Mary Most Vanek
Executive Director

Letter of Transmittal

(Continued)

PLAN OVERVIEW

PERA was established in 1931 by the Minnesota legislature. For financial reporting purposes, PERA is considered a pension trust fund of the State of Minnesota. The State acts as a trustee of the pension plan, and reports our assets in the State's annual report as pension trust fund assets. The Plan is funded on an actuarial reserve basis, with money being set aside for benefits while the benefits are being earned and before they are paid.

PERA serves over 2,000 separate local governmental entities. These participating employers include cities, counties, townships, and school districts located throughout the state. At June 30, 2006, PERA's membership included 158,366 current, active employees and 66,102 retirees and beneficiaries.

ACCOUNTING SYSTEMS AND REPORTS

All financial statements are prepared in conformity with accounting principles generally accepted in the United States of America and reporting guidelines set forth by the Governmental Accounting Standards Board (GASB). GASB Statement No. 44, Economic Condition Reporting: The Statistical Section was implemented this year. This CAFR also complies with Minnesota Statutes, Section 356.20. PERA's transactions of its Public Employees Retirement Fund (PERF), Public Employees Police and Fire Fund (PEPFF), Public Employees Correctional Fund (PECF) and Public Employees Defined Contribution Plan (PEDCP) are reported on the accrual basis of accounting. Contributions from employers and members are recognized as revenue when earned and measurable, regardless of the date of collection. Expenses are recorded when corresponding liabilities are incurred, regardless of when the payment is made.

PERA's internal accounting controls are designed to provide reasonable assurance for the safekeeping of assets and the reliability of all financial records. Our independent auditors have audited the accompanying financial statements and reviewed our internal control structure. They reported no material weaknesses in our internal controls. Management believes that an adequate system of internal control is in place and that the accompanying statements, schedules and tables are fairly presented.

INVESTMENTS

In accordance with Minnesota Statutes, Section 353.06, assets of the PERA Funds are invested by the Minnesota State Board of Investment (SBI). All investments undertaken by the SBI are governed by the common law prudent person rule and other standards codified in Chapter 11A of the Minnesota Statutes. The board is comprised of the state's elected officers: Governor Tim Pawlenty; State Auditor Patricia Anderson; Secretary of State Mary Kiffmeyer; and State Attorney General Mike Hatch.

The SBI appoints a 17-member Investment Advisory Council (IAC) to advise the State Board on asset allocation and other policy matters relating to investments. The IAC also advises the SBI on methods to improve the rate of return while assuring adequate security of the assets under management. The executive director of PERA is a standing member of the IAC.

The IAC has formed three committees organized around broad investment subjects relevant to the board's decision making: asset allocation, stock and bond managers, and alternative investments. All proposed investment policies are reviewed by the appropriate committee and the full council before they are presented to the board for action.

The SBI also employs investment consultants to monitor and evaluate investment management firms' performance and to evaluate or suggest various alternatives for asset allocation and other investment policy matters.

Active Funds

Pension assets of the currently working members of the Association are managed externally by private money managers retained under contract with the SBI. These assets are pooled with the assets of other active members of statewide retirement funds into the Basic Retirement Fund. The greatest share of these assets, approximately 65 percent, is invested in domestic and international common stocks in order to maximize the long-term rate of return. Including international stocks in the asset mix allows the SBI to diversify its holdings across world markets and offers the opportunity to enhance returns and reduce the risk/volatility of the total portfolio. For the year ended June 30, 2006, the Basic Retirement Funds produced a 12.6 percent rate of return on active member assets.

Fair Value of Investments, June 30, 2006 (in thousands)

<u>Fund</u>	<u>Active Members</u>	<u>Retired Members</u>
PERF	\$6,050,245	\$5,747,712
PEPFF	2,763,702	2,015,350
PECF	125,745	4,804
Totals	\$8,939,692	\$7,767,866

The SBI has one overriding responsibility in the management of these funds: to ensure that sufficient funds are available to finance promised retirement benefits. Within this context, SBI has established a long-term investment objective: to outperform a composite market index weighted to reflect the long-term asset allocation policy over a ten-year period. Performance is measured net of all fees and costs to assure the SBI's focus is on true net return. The Basic Funds' ten-year annualized rate of return at June 30, 2006 was 8.8 percent, above its target index of 8.5 percent.

Post Retirement Investment Fund

The SBI has responsibility for investment of the assets of the Minnesota Post Retirement Investment Fund (MPRIF). When a member retires, a sum of money sufficient to finance a fixed monthly annuity is transferred from the Basic Retirement Fund to the MPRIF. Assets of the retired members of the Association and their joint annuitants are pooled in the MPRIF. These assets are also managed externally, sharing the same domestic stock, domestic bond, and international stock managers as the Basic Funds.

The SBI adopted a revised asset allocation strategy for the MPRIF in fiscal year 1993 to reflect the goals associated with the new post-retirement benefit increase formula. In order to maximize long-term rates of return in the equity markets, the SBI gradually allocated 50 percent of the assets to domestic stocks, and added allocations to international stocks and alternative assets. As of June 30, 2006, approximately 63 percent of the assets were invested in domestic and international stocks.

In contrast to the investment goals of the Basic Fund, invested for current working members, the MPRIF's goal is to ensure returns are adequate to meet the actuarially assumed return of 6 percent on its invested assets on an annualized basis and are sufficient to finance lifetime benefit increases.

The SBI measures performance of the MPRIF against a composite of market indices that is weighted to reflect its long-term asset allocation policy. The MPRIF is expected to exceed the composite index over a ten-year period. Similar to the Basic Fund, MPRIF performance is reported net of all fees and costs to assure the SBI's focus is on true net return. For the ten-year period ending June 30, 2006, the MPRIF outperformed its composite index by three-tenths of one percent with an annualized return of 8.3 percent.

Benefit increases are granted based on two components: an inflation component and an investment component. This year the MPRIF will provide a benefit increase of 2.5 percent, payable January 1, 2007.

- Inflation adjustment of 2.5%. This equals 100 percent of the reported Consumer Price Index for wage earners (CPI-W) for the 12 months ended June 30, 2006 with a cap of 2.5 percent in order to maintain the actuarial soundness of the plan. This amount is the difference between the 8.5 percent return assumption for the Basic Funds and the 6 percent return assumption for the MPRIF. This inflation component is always granted, regardless of investment performance.
- Investment adjustment of 0%. This represents a portion of the investment gains that exceed the amount needed to finance the actuarial assumed rate of return (6%) and the inflation component (2.5%). The formula requires that investment gains and losses be spread forward over five years to adjust for the volatility of short-term returns. Also, all accumulated investment losses must be recovered before an investment adjustment is granted. Since investment returns were below 8.5 percent for three years in a row in the early 2000s, there are no excess investment gains to apply toward a benefit increase. In fact, accumulated investment losses now exceed \$4 billion and must be recovered before any future investment adjustment is given.

Over the last 10 years (including this year), annual benefit increases have averaged 5.5 percent while inflation has averaged 2.5 percent. Because of the investment losses sustained in the early 2000's, however, increases for the past three years have remained at 2.5% and are expected to be no larger than that for many years to come, until excess investment earnings are able to make up the investment losses.

ECONOMIC CONDITIONS AND OUTLOOK

The national economy continued its recovery from the 2001 recession, creating 1.85 million jobs during the fiscal year. The unemployment rate fell from 5.0 percent in June 2005 to 4.6 percent in June 2006. Average hourly earnings increased by 3.9 percent during that same period. In 2005 the nation's poverty rate decreased from 12.7 percent to 12.6 percent, reversing a four-year trend. Uncertainty in the Middle East coupled with increased global demand for oil drove up oil prices to all-time high levels, threatening to re-ignite inflation. The CPI-W increased 4.5 percent during the fiscal year and 30-year mortgage rates increased 100 basis points to 6.8 percent during fiscal year 2006. In response to the inflation threat, the Federal Reserve increased interest rates 200 basis points throughout the year. Large

Letter of Transmittal

(Continued)

budget deficits, job outsourcing and slow job growth, a falling housing market, the war in Iraq and terrorism all caused concern during the year.

On the bright side, however, productivity and consumer spending remained strong. Orders for durable goods were high. A record number of people were working. GDP rose 3.5 percent in 2005, the fastest rate of any major industrialized nation. Median household income increased to \$46,326. Industrial production rose 4.5 percent and capacity utilization increased from 80.3 percent to 82.4 percent during the fiscal year.

The growing economy proved to be good for the stock market, but not so good for the fixed income market. The Russell 3000 returned 9.6 percent while the Lehman Brothers Aggregate Bond Index returned -0.8 percent. PERA's Basic Retirement Fund and the MPRIF, made up of both equities and fixed assets, had annualized rates of return of 12.6 percent and 12 percent, net of fees, in fiscal year 2006, well above our assumed earnings rate of 8.5 percent.

Minnesota's economy continued its recovery as well. The unemployment rate dropped slightly from 3.7 percent in June 2005 to 3.6 percent in June 2006, one of the lowest rates in the country. More than 73,000 jobs were added during the fiscal year, the fastest job growth in the country percentage-wise as the fiscal year came to a close. Minnesota had a greater share of the total population in the labor force, 73 percent, than any other state except Alaska. The median household income in Minnesota in 2005 was \$52,024, the eleventh best in the country. Per capita personal income was \$37,322, the ninth best in the country. Tax revenues for the State were about 3 percent above projections.

Despite high energy costs, the economic outlook for Minnesota and the rest of the country is positive. Interest rates remain historically low; inflation remains in check; business profits are rising and jobs are being added to the payroll; foreign economies are strengthening; consumer spending remains strong; and business investment is on the rise. These factors should all prove positive for the markets, which will bode well for public pension plans.

CURRENT FUNDING RATIOS

The primary funding objectives of the Association are: 1) to establish contribution rates which, when expressed as a percentage of active members payroll, will remain level from generation to generation; and 2) to meet the required deadlines for full funding.

An important measure of the health of a retirement system is the level of funding. The better the level of funding, the larger the ratio of assets to accrued liabilities and the greater the level of investment income potential. Also, a better level of funding gives the participants a higher degree of assurance that their pensions are secure. A pension plan is fully funded when it has present and projected assets sufficient to cover the liabilities for present and future annuities, benefits and refunds and the projected cost of fund administration.

The Association's progress toward meeting the full funding objective is displayed on the Schedule of Funding Progress on page 32. This report shows the funding levels using the entry age normal actuarial cost method. At the end of fiscal year 2006, the ratio of assets to liabilities of the PERF was 74.65 percent. For the PEPFF and the PECF, the ratios were 95.39 percent and 94.35 percent, respectively.

ASSOCIATION'S STATUS REPORT

PERA has been working on several initiatives that we believe will allow us to better serve our members. During fiscal year 2006 we completed work on a new Internet tool called My PERA that allows most members to calculate accurate, real-time benefit estimates online. While members still receive annual Personal Benefit Statements each year in the mail, this new tool will allow members to receive up-to-date estimates any time, day or night, using the same data and calculator our in-house counselors use. We receive about 20,000 requests for benefit estimates each year, so we believe this "self-serve" product will be appreciated by our members as they begin to seriously ponder retirement or develop personal financial plans. Over 12,000 members have registered on My PERA and are using our online tools.

During the year we continued to improve the way we communicate with members. We updated the look of our website, www.mnpera.org, making it easier to navigate and find information. We implemented a new phone system and set up two call centers with more agents available to service our members. We also began preparing for a new satellite office, this time in Mankato to serve the southern part of the state. The office we opened in Duluth two years ago has been very well received, and we have been able to keep costs low by sharing space with the other two statewide public pension plans, the Minnesota State Retirement System and Teachers Retirement Association. We hope to open this new satellite office in January 2007.

In fiscal year 2006 we also met with various groups representing our police and fire plan members to develop legislation designed to help control the rising costs of that plan. This working group specifically targeted the disability benefit program, since a large share of increased cost has come from that segment. Legislation is being proposed in fiscal year 2007 that will better define duty disability, limit disability benefits, and increase early retirement reduction factors to a more reasonable level.

Legislation was passed in 2006 that caps post-retirement adjustments at 5 percent. Strong investment returns in the late 1990's led to high post-retirement adjustments for benefit recipients through the year 2000. When market returns turned negative, the three statewide public pension plans were left with a \$4 billion shortfall in assets needed to pay future benefits. In order to prevent the same thing from happening in the future, the legislature put a cap on future post-retirement adjustments, effective July 1, 2010.

In fiscal year 2007 we will complete development of a new tool we have been working on that will give our employers the ability to enter wage and contribution data online, running some basic edits before sending us that data. We hope to receive information quicker and get it into our systems with fewer errors using this new tool. We will then explore making changes to our payment process to make it easier for employers to match and track payments with the detail information we receive.

PROFESSIONAL SERVICES

Actuarial consulting services during the fiscal year were provided by Mercer Human Resources Consulting and by The Segal Company. Benefacts, Inc. handled the production and mailing of our annual Pension Benefit Statements. Evalumed handled independent medical examinations. The State's Attorney General continued to provide PERA with legal counsel. The State's Department of Health provided medical services used for determining disability benefits. The State Board of Investment continued to manage and invest the assets of PERA's funds, and the State's Legislative Auditor provided professional financial auditing services.

MEMBERSHIP REPORT

This report is complemented by an annual financial newsletter that discloses, in summary form, the contents of this report. This financial newsletter is mailed in January of each year to all PERA members, including annuity and benefit recipients. In addition, this report is reproduced, in its entirety, on PERA's website, www.mnpera.org.

NATIONAL RECOGNITION

Finally, PERA is justly proud of the abilities, knowledge, drive and dedication of its employees. PERA recently received national recognition as a leader in pension fund administration and disclosure of financial information. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to PERA for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2005. This is the 21st time PERA has received this honor.

The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for one year only. We believe our current report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGMENTS

As a compendium of financial, investment, actuarial and other statistical information, PERA's Comprehensive Annual Financial Report provides complete and reliable information on which management decisions may be based and through which compliance with statutory requirements may be assessed. In addition, the report serves as the primary source through which the effectiveness of the Trustees' management and administration of PERA and its funds may be judged.

We are sure you join with us in expressing gratitude and appreciation to the staff and PERA's advisors for their efforts in producing this report and for their loyal and dedicated service to the Association and its members, annuitants, beneficiaries, and governmental unit employers.

Respectfully submitted,

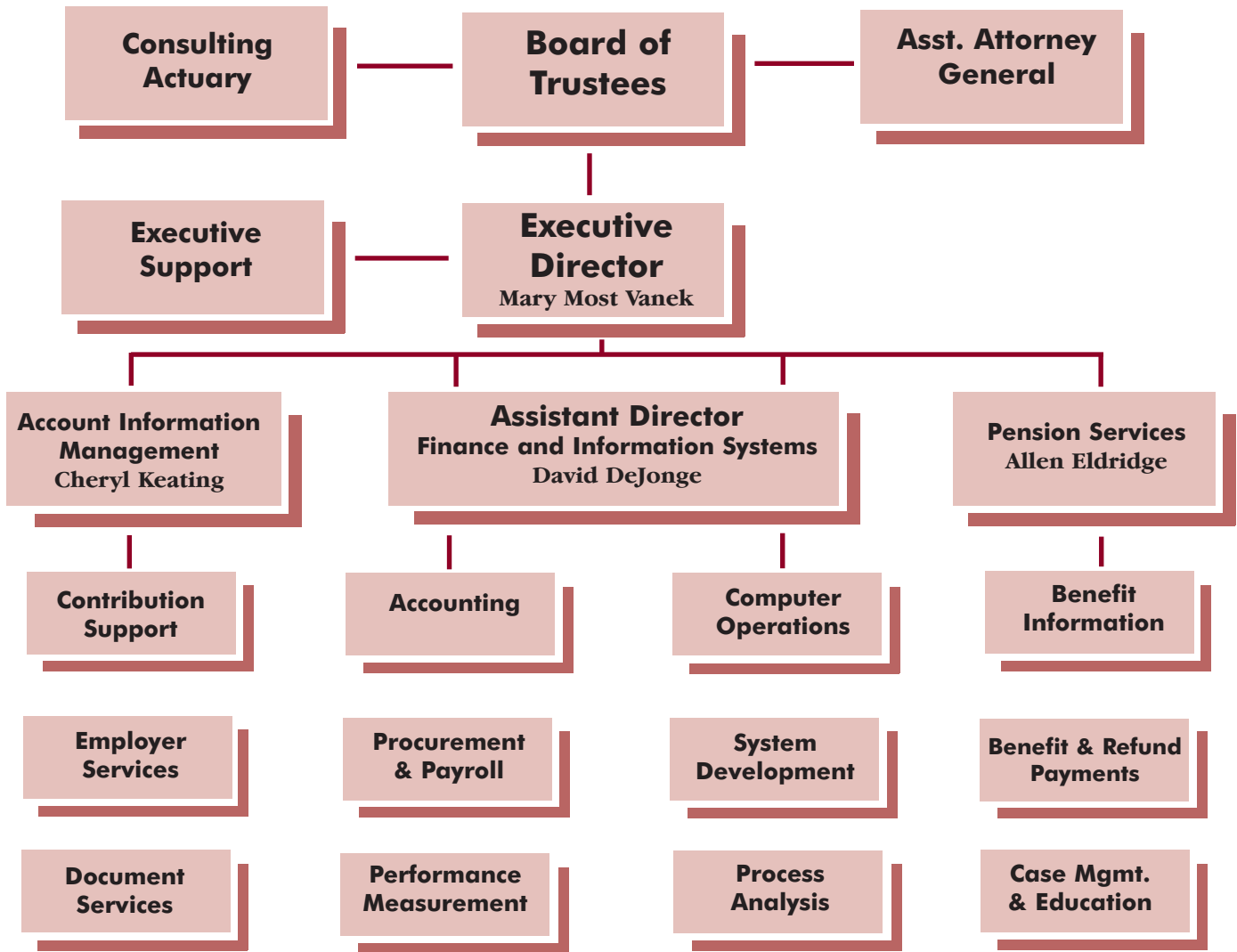


Mary Most Vanek
Executive Director



David DeJonge
Assistant Executive Director,
Finance and IS

Administrative Organization



MISSION STATEMENT

PERA's mission is to create opportunities for members to achieve a successful and secure retirement by providing the highest quality benefits and services, that members will value and trust.

PERA'S VISION:

PERA will provide on-demand access to reliable pension information and superior customer service.

Board of Trustees

BOARD PRESIDENT



Steven L. Devich
General Membership Representative
City of Richfield
6700 Portland Ave. S.
Richfield, Minnesota 55423

BOARD VICE PRESIDENT



Dennis Hegberg
Counties Representative
Washington County Gov't. Center
14900 61st Street N., PO Box 6
Stillwater, Minnesota 55082



Patricia Anderson
State Auditor
525 Park Street, Suite 400
Saint Paul, Minnesota 55103



Ross E. Arneson
General Membership Representative
410 S. 5th St., PO Box 3129
Mankato, Minnesota 56002



Marcia Farinacci
Annuitant Representative
1466 North Grotto
St. Paul, Minnesota 55117



Kathryn A. Green
School Board Representative
401 3rd Ave. NW
Austin, Minnesota 55912



Dawn M. Hulmer
General Membership Representative
City of Duluth, Treasurer's Office
Duluth City Hall, Room 105
Duluth, Minnesota 55802



Richard L. Jacobsen
Public Representative
12705 Parkwood Drive
Burnsville, Minnesota 55337



Thomas L. Marshall
Police and Fire Representative
4727 1st. Avenue S.
Duluth, Minnesota 55803



Gary R. Norstrom
Retiree/Disabilitant Representative
5619 Portland Ave.
White Bear Lake, Minnesota 55110



Don Rambow
Cities Representative
City of White Bear Lake
4701 Highway 61
White Bear Lake, Minnesota 55110

The PERA Board consists of 11 trustees as follows: The State Auditor is a trustee by virtue of office. The governor appoints five trustees to represent counties, cities, school boards, retired annuitants, and the general public. PERA active members elect five representatives—three general membership, one retiree/disabilitant, and one Police and Fire trustee—to serve four-year terms.

Retirement System Plan Summary

Public Employees Retirement Association of Minnesota

Minnesota State Board of Investment on the management and investment of public pension funds and other assets.

MULTI-EMPLOYER PARTICIPATION

Approximately 2,000 separate units of government in Minnesota participate in the PERA-administered retirement system. These units include counties, cities, townships, and school districts*.

EMPLOYEE MEMBERSHIP

PERA has approximately 150,000 active members. With certain statutory exceptions, an employee performing personal services for a governmental employer whose salary is paid, in whole or in part, from revenues derived from taxation, fees, assessments, or other sources, is a member of PERA. Plan participation is dependent on the occupation of the member.

FUNDS

PERA administers four separate funds. Each has specific membership, contribution, benefit, and pension provisions.

The **Public Employees Retirement Fund** encompasses two retirement plans — the PERA Coordinated Plan and the PERA Basic plans. The Coordinated Plan, created in 1968, provides retirement and other benefits in addition to those supplied by Social Security. Established in 1931, the Basic Plan was PERA's original retirement plan and is not coordinated with the federal program.**

The **Public Employees Police and Fire Fund** was created in 1959 for police officers and firefighters not covered by a local relief association. It also encompasses all paid Minnesota police officers and firefighters hired since 1980. In 1999, legislation merged members of PERA's former Police and Fire Consolidation Plan into this plan.

The **Local Government Correctional Service Retirement Fund** was established in 1999 for correctional officers serving in county and regional adult and juvenile corrections facilities. Participants must be responsible for the security, custody and control of the facilities and their inmates.

PURPOSE

Established by the Minnesota Legislature in 1931, the Public Employees Retirement Association (PERA) of Minnesota administers pension funds that serve approximately 200,000 county, school and local public employees, benefit recipients, their survivors, and dependents.

Funds administered by the Association provide a variety of retirement pensions, and survivor and disability benefits. In the case of the Coordinated and Correctional plans, these benefits are in addition to those provided by Social Security.

PERA's Board of Trustees is responsible for administering these funds in accordance with statutes passed by the Minnesota Legislature and has a fiduciary obligation to PERA's members, their governmental employers, the state, and its taxpayers.

ADMINISTRATION

PERA's Board of Trustees is composed of 11 members. The State Auditor is a member by statute. Five trustees are appointed by the Governor. Serving four-year terms, these five trustees represent cities, counties, school boards, retired annuitants, and the general public, respectively.

The remaining five board members are elected by the PERA membership at large to serve four-year terms. Three trustees represent the general active membership, one represents Police and Fire Fund members, and one represents annuitants and benefit recipients. The next membership election is scheduled for January 2007.

The board appoints an executive director to serve as chief administrative officer of PERA. With approval of the board, the director develops the annual administrative budget, determines staffing requirements, contracts for actuarial and other services, and directs the day-to-day operations of the association. The director also serves as a member of the State Investment Advisory Council, which advises the

NOTE:

- * A listing of employers participating in PERA can be found in the Statistical Section of this report.
- ** PERA's Basic Plan was closed to new membership in 1968 with the creation of the Coordinated Plan. At that time, Basic members had the option of remaining in that plan or transferring to the new Coordinated Plan. Today, fewer than 60 Basic members remain active public employees.

Also administered by PERA is the **Public Employees Defined Contribution Plan (DCP)**. Created in 1987 to provide a retirement plan for personnel employed by public ambulance services, the plan has since been expanded to include physicians and locally-elected public officials, except for county sheriffs.*

CONTRIBUTIONS

The table below shows contribution rates for employees and employers under the various plans administered by PERA as of June 30, 2006**. Rates are applied to total salary and are set by statute.

<u>Fund</u>	<u>Employee Contribution</u>	<u>Employer Contribution</u>
Public Employees Retirement Fund		
Coordinated	5.50%	6.00%
Basic	9.10%	11.78%
Public Employees Police & Fire Fund	7.00%	10.50%
Local Government Correctional Fund	5.83%	8.75%
Defined Contribution Plan	5.00%	5.00%***

CREDITED SERVICE AND SALARY

Members of PERA's defined benefit plans receive one service credit for each month for which they are paid. Individuals may earn a maximum of 12 service credits per year. Salary used in retirement and disability benefit calculations is the average monthly salary over an individual's highest-paid 60 consecutive months of public service, or all months of service if less than 60 (high-five salary).

RETIREMENT BENEFITS

Eligibility and Annuity Formulas

Basic and Coordinated Members

Two methods are used to compute benefits for Coordinated and Basic Plan members—a step-rate benefit accrual formula (Method 1) and a level accrual formula (Method 2). Members hired prior to July 1, 1989 receive the higher of the two calculated amounts. Only Method 2 is used for members hired after June 30, 1989.

Method 1: Coordinated members accrue 1.2 percent of the high-five salary for each of the first 10 years of public employment, and 1.7 percent of that average salary for each successive year. Basic members receive 2.2 percent of their high-five salary for each of their first 10 years of service and 2.7 percent for each year thereafter.

Using this calculation, members are eligible for a full (unreduced) retirement annuity if:

- ▶ They are age 65 or over with at least one year of public service; or
- ▶ Their age plus years of public service equal 90 (Rule of 90).

A reduced retirement annuity is payable as early as age 55 with three or more years of service. The reduction is .25 percent for each month under age 65. A member with 30 or more years of service may retire at any age with the .25 percent reduction made from age 62 rather than 65.

Method 2: Coordinated members earn 1.7 percent of their high-five salary for every year of public service while Basic members earn 2.7 percent of their average salary for each year.

This calculation provides for unreduced retirement benefits at age 65 for members first hired prior to July 1, 1989, and at the age for unreduced Social Security benefits, capped at age 66, for those first hired into public service on or after that date.

Early retirement results in an actuarial reduction with augmentation (about 6 percent per year) for members retiring prior to full retirement age.

Police and Fire Members

Members receive 3 percent of average salary for each of their years of service. An unreduced retirement annuity is payable to members when they meet the following conditions:

- ▶ Age 55 with a minimum of three years of service; or
- ▶ Age plus years of service equal at least 90 (if first hired prior to 7/1/89).

A reduced retirement annuity is available to members between the ages of 50 and 55. There is a 1.2 percent reduction in benefits for each year a member retires prior to qualifying for an unreduced retirement benefit.

NOTE:

* Officials first elected to a governing body, such as a city council or county board after June 30, 2002, may only participate in PERA's Defined Contribution Plan. Previously, such officials could elect Coordinated Plan participation as an alternative to the DCP.

** Legislation passed in 2005 calls for increases in member and employer contribution rates for both the Coordinated and Police and Fire plans to be phased in over several years. Ultimately, employee contribution levels will be 6 percent for the Coordinated Plan and 9.4 percent for the Police and Fire Plan. Employer rates for these two plans will increase incrementally to 7 percent and 14.1 percent, respectively.

*** This is the rate established for elected public officials and physicians. For ambulance service personnel, participation in the program and contributions made for employees are at the discretion of employers. Salaried employees may match this contribution. Beginning in July 2006, city managers may also participate in the DCP as an alternative to Coordinated Plan membership.

Summary

(Continued)

NOTE:

* Since most Correctional Plan members were previously members of PERA's Coordinated Plan, they may qualify for a pension from both plans following retirement. However, they must meet the age requirements of each plan and begin benefits within a year of each other to qualify for combined service.

** Selection of a Survivor Option will result in a reduction in the amount of the pension from the Single-life pension level. The amount of the reduction depends on the age of both the retiring member and the survivor.

All survivor pension options incorporate an "automatic bounce back" feature. This returns the amount of the pension to the level of the Single-life benefit in the event the designated survivor predeceases the retiree. The cost of this protection is borne by the funds, not by the retiree.

*** Under legislation passed during the 2006 Legislative session, the deferred pension accrual rate is 2.5 percent for members first hired into public service after July 1, 2006.

Correctional Service Members

Correctional Plan members earn 1.9 percent of their average salary for every year of public service under the plan.

A full, unreduced pension, is earned at:

- ▶ Age 55 with three or more years of service; or
- ▶ Age plus years of service total at least 90 (if hired prior to 7/1/89).

An actuarial reduction with augmentation is made in a member's benefit for retirement prior to qualification for an unreduced pension.*

Defined Contribution Plan Members

The Defined Contribution Plan's benefit amount is determined by the performance of the funds in which contributions are invested. The entire market value of the member's account is payable upon termination of public service, disability, retirement, or death.

TYPES OF PENSIONS AVAILABLE

Members of the PERA Coordinated, Basic, Correctional, and Police and Fire plans may select from several types of retirement benefits.

Single-life Pension — A Single-life Pension is a lifetime annuity that ceases upon the death of the retiree. No survivor benefit is payable.

Survivor Options — Upon retirement, members may choose from one of four Survivor Options. All these pensions are payable for the lifetime of the retiree. At the time of the retiree's death, the designated survivor begins to receive monthly benefit payments at varying levels for his or her lifetime. Depending on the Survivor Option chosen by the member, survivor payments are at a 25, 50, 75 or 100 percent level of that received by the member.**

Pre-Age 62 Increase — This pension option allows a member who retires before age 62 to receive a greater monthly payment until he or she becomes eligible for Social Security at age 62. The monthly benefit amount is then reduced by at least \$100 at age 62.

Deferred Pension — A vested member who terminates public service may leave contributions in the fund(s) in which he or she participated and qualify for a pension at age 55 or over. The benefit amount, calculated as of the date of termination, will increase at a rate of 3 percent per year, compounded annually, until the first of the year following the member's 55th birthday. It will then increase at a rate of 5 percent per year.***

Combined Service and

Proportionate Pensions — Retiring members may elect to combine service in a PERA-covered position with service in any of 14 other Minnesota pension funds and qualify for a retirement benefit from each fund in which they participated. These funds are designated by statute. Members with three or more years of total service qualify for a combined service pension if they have six or more months of service in each fund and have not begun to receive a benefit from any of the designated funds. Pensions are based upon the formula of each fund and the member's average salary over the five highest-paid years of service, no matter when it was earned.

Public employees who retire at age 65 or older with between one and three years of service in one or more of 11 designated funds may qualify for a proportionate pension. Benefits are paid by each applicable fund in which the employee has credit and are based upon the formula of each fund and the member's average salary during the period of service covered by that fund.

EARNINGS LIMITATION

Retirees who return to work in a PERA-covered position are subject to the same earnings limitations as Social Security recipients. Benefits are reduced if these limits are exceeded, with the amount escrowed and earning 6 percent interest compounded annually. At age 65 or a year after leaving the position, whichever is later, the retiree may request repayment of these funds.

The earnings limitation only applies to PERA-covered employment. Self- or private employment and elected service will result in no benefit reduction for retirees.

DISABILITY BENEFITS

Members may be eligible for benefits from PERA if they are unable to work because of a physical or mental disability. Disability is defined by statute, and PERA may require periodic medical examinations of those receiving these benefits.

Disability benefit calculations are based upon years of service and average high-five salary for Coordinated and Basic members. The same is true for Police and Fire and Correctional plan members disabled outside the line of duty. In the case of Police and Fire members, there is a minimum non-duty disability benefit of 45 percent of that salary. The minimum benefit for Correctional Plan members is 19 percent.

For Police and Fire members disabled in the line of duty, the minimum benefit is 60 percent of salary, while the minimum duty-related disability benefit for Correctional members is 47.5 percent.*

Basic and Coordinated members qualify for disability with three or more years of service and by meeting the statutory definition. Police and Fire and Correctional members qualify by meeting the definition with one or more years of service if disabled outside the line of duty. If disabled in the line of duty, there is no minimum service requirement.

SURVIVOR BENEFITS

PERA also provides survivor (death) benefits for families of members who qualify for such coverage. The qualifications and types of benefits vary with each plan.

A Lifetime Survivor Benefit is available to the surviving spouse of a Basic, Coordinated, Correctional, or Police and Fire member. For Police and Fire, and Basic members, this benefit is based on either 50 percent of the member's average salary during the six months prior to death or a formula using the member's total years of service, high-five salary, age at death and age of the spouse. The surviving spouse benefit for Coordinated and Correctional members is only based on the formula. This benefit is payable to the spouse of a deceased member for life, even upon remarriage.**

For the surviving spouse of a Basic or Coordinated member, there are alterna-

tive term-certain benefits of 5, 10, 15, or 20 years duration. The monthly payment, however, may not exceed 75 percent of the member's average high five-year salary. The same alternative benefits are available to the surviving spouse of a Correctional member, with the exception of the 5-year option.***

Survivor benefits are immediately suspended for any survivor charged with causing the death of an association member. The benefit is permanently revoked upon conviction of such a crime.

Dependent children of active or disabled Basic, and Police and Fire members are eligible for benefits until age 18, or age 23 if full-time students. In this case, the maximum family benefit is 70 percent of the member's average monthly salary. If a Coordinated or Correctional member dies and there is no surviving spouse, any children under age 20 qualify to receive a monthly term-certain benefit.

Instead of a monthly benefit, the surviving spouse, if a designated beneficiary, may elect a refund of any remaining employee contributions in the account, plus 6 percent interest compounded annually. However, a refund may not be elected if there are dependent children who are eligible for benefits.

REFUNDS

Refunds of contributions are available at any time to members who leave public service and have not yet begun receiving a pension. The refund includes employee contributions plus 6 percent interest, compounded annually.

A refund of member contributions plus interest may also be elected by the designated beneficiary of a member or former member who dies before reaching retirement. If there is no beneficiary, payment is made to the surviving spouse or, if none, to the estate of the deceased member or former member.

If a retiree and designated survivor, if any, die before all employee contributions are paid in the form of a pension or benefits, the remaining balance would be paid in the same manner outlined for beneficiaries.

No interest is paid to beneficiaries on the balance in an account if the member was receiving retirement benefits.

NOTE:

* Minimum non-duty disability benefits are equivalent to 15 years of service for Police and Fire members and 10 years of service for Correctional members. Duty-related minimum disability benefits are equivalent to unreduced pensions for 20 years of service for Police and Fire members and 25 years for Correctional members.

** Lifetime Survivor Benefits are also available to the spouse of disabled Basic, and Police and Fire Fund members, and to survivors of disabled Coordinated and Correctional members who choose a Survivor Option to their disability benefit.

*** The 5-year term-certain benefit option for survivors of Coordinated and Basic members was eliminated as of July 1, 2006.

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Financial Section

Legislative Auditor's Report

Management Discussion
and Analysis

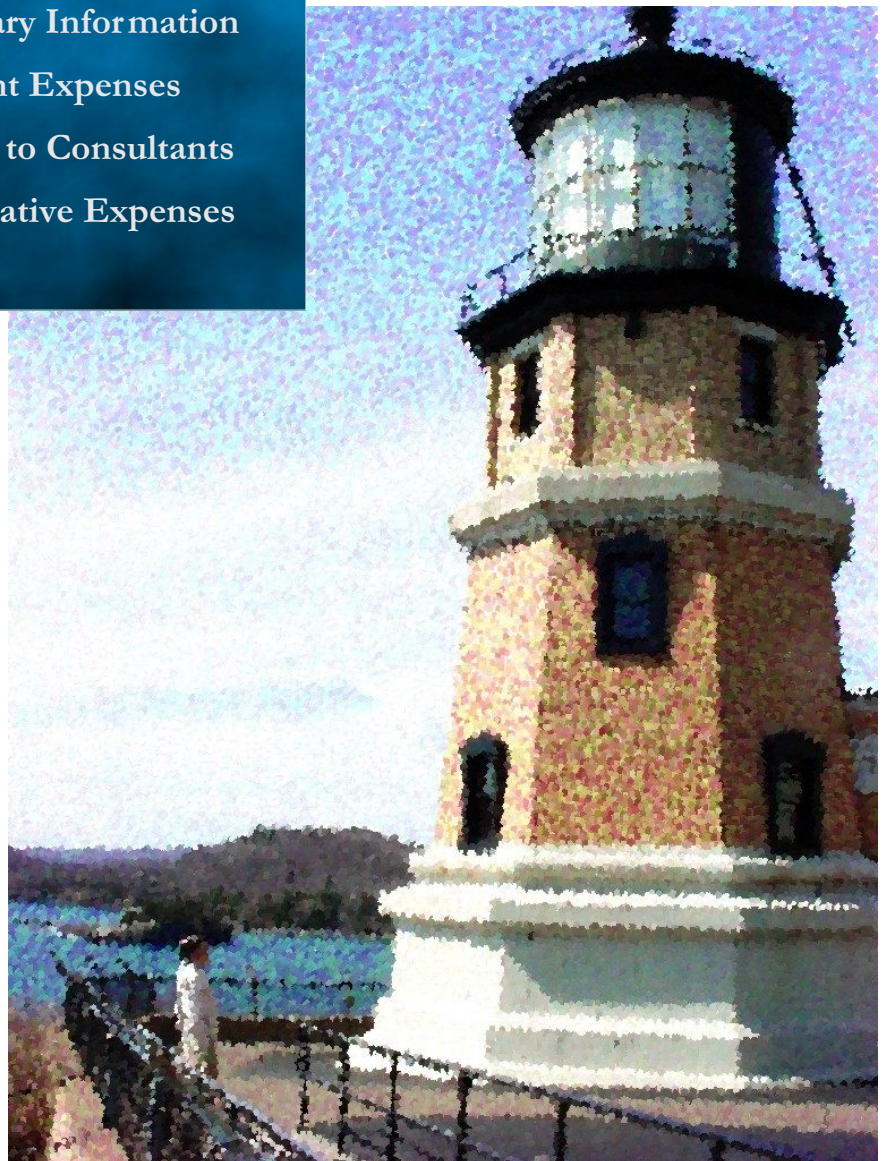
Basic Financial Statements

Required Supplementary Information

Schedule of Investment Expenses

Schedule of Payments to Consultants

Schedule of Administrative Expenses



Legislative Auditor's Report



OFFICE OF THE LEGISLATIVE AUDITOR
STATE OF MINNESOTA • James Nobles, Legislative Auditor

Independent Auditor's Report

Members of the Board of Trustees
Public Employees Retirement Association of Minnesota

Ms. Mary Most Vanek, Executive Director
Public Employees Retirement Association of Minnesota

We have audited the accompanying basic financial statements of the Public Employees Retirement Association of Minnesota (PERA) as of and for the year ended June 30, 2006, as listed in the Table of Contents. These financial statements are the responsibility of PERA's management. Our responsibility is to express an opinion on these financial statements based on our audit.

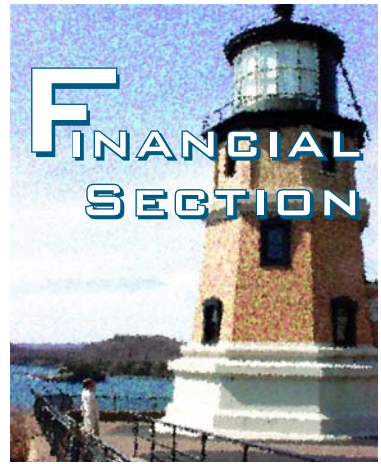
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of PERA as of June 30, 2006, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2006, on our consideration of PERA's internal control over financial reporting; on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements; and on other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance, and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis and the other required supplementary information, as listed in the Table of Contents, are not required parts of PERA's basic financial statements and we did not audit and do not express an opinion on such information. However, we have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. As a result of such limited procedures, we believe that the Schedule of Funding Progress and the Schedule of Employer Contributions on pages 32 and 33, respectively, are not in conformity with accounting principles generally accepted in the United States because the actuarial asset valuation method for the postretirement portion of the plans' investments is not market related, as required by the Governmental Accounting Standards Board. Additionally, the notes to the required supplementary information do not accurately present the asset valuation method used for postretirement fund assets. The valuations were performed using actuarial assumptions prescribed in state statute. As a result, we believe the "actuarial value of plan assets" and the "funded ratio" in the Schedule of Funding Progress are overstated, and the "actuarial required

Room 140 Centennial Building, 658 Cedar Street, Saint Paul, Minnesota 55155-1603 • Tel: 651/296-
E-mail: auditor@state.mn.us • TDD Relay: 651/297/5353 • Website: www.auditor.leg.state.mn.us



contribution rate" in the Schedule of Employer Contributions is understated. The amounts of the overstatements and understatements cannot be determined until actuarial valuations are recomputed using a market related asset valuation method for the postretirement portion of the plans' investments.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise PERA's basic financial statements. The Introductory, Investment, Actuarial, Statistical Sections, and supporting schedules in the Financial Section, as listed in the Table of Contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The financial information in the Introductory, Investment, Actuarial, Statistical Sections, and the supporting schedules in the Financial Section has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

James R. Nobles
Legislative Auditor

Cecile M. Ferkul, CPA, CISA
Deputy Legislative Auditor

December 8, 2006, except for the Schedule of Funding Progress, Schedule of Employer Contributions, and the notes to the required supplemental information, as to which is dated January 11, 2007.

Management Discussion and Analysis

As management of Minnesota's Public Employees Retirement Association (PERA), we present this discussion and analysis of the financial activities for the year ended June 30, 2006 (FY06). This narrative is intended to supplement the financial statements which follow this discussion, and should be read in conjunction with the transmittal letter, which begins on page 5 of this annual report.

OVERVIEW OF THE FINANCIAL STATEMENTS

This Comprehensive Annual Financial Report (CAFR) contains two basic financial statements: the Statement of Plan Net Assets and the Statement of Changes in Plan Net Assets. These financial statements, in conjunction with the accompanying Notes to the Financial Statements, report information about PERA's financial condition in an attempt to answer the question: "Is PERA better off or worse off as a result of this year's activities?" These statements are prepared using the accrual basis of accounting as is required by generally accepted accounting principles laid out in statements issued by the Government Accounting Standards Board (GASB).

The Statement of Plan Net Assets provides a snapshot of account balances at year-end. It reports the assets available for future payments to benefit recipients, along with any liabilities that are owed as of the statement date. The difference between assets and liabilities, called "Net Assets," represents the value of assets held in trust for future benefit payments. Over time, increases and decreases in Net Assets can be one measurement of whether PERA's financial position is increasing or decreasing.

The Statement of Changes in Plan Net Assets, on the other hand, shows additions and deductions to Net Assets during the year. The increase or decrease in Net Assets reflects the change in Net Assets found on the Statement of Plan Net Assets from the prior year to the current year.

The Notes to the Financial Statements are an integral part of the financial statements and provide additional information that is essential for a comprehensive understanding of the data provided in the financial statements. The Notes describe the accounting and administrative policies under which PERA operates, and provide additional levels of detail for selected financial statement items.

These financial statements should be reviewed along with the Schedule of Funding Progress and Schedule of Employer Contributions to determine whether PERA is becoming financially stronger or weaker over time. PERA's funding objective is to meet long-term benefit obligations through contributions received and the income derived by investing those contributions during the working career of our members. These two schedules, created by an actuary, show the ratio of the actuarial value of assets to the actuarial accrued liability, and to what extent contributions needed to fully fund the plan are being received.

FINANCIAL HIGHLIGHTS

- PERA's Net Assets increased 9.5% during the year from \$15.3 billion in fiscal year 2005 (FY05) to \$16.7 billion in FY06.
- Total additions for FY06 were \$2.5 billion, comprised of contributions of \$620,386,000, investment income of \$1,890,079,000 and other income of \$6,022,000. Total additions for fiscal year 2005 were \$2,063,788,000.
- Total deductions for the year increased from \$1,007,443,000 in fiscal year 2005 to \$1,057,105,000 due to an increase in the number of benefit recipients.
- Total administrative expenses totaled \$10,052,000 in FY06, a decrease from \$10,130,000 in FY05.
- As of June 30, 2006 the Public Employees Retirement Fund is actuarially funded at 74.65%. PERA's Police and Fire Fund is actuarially funded at 95.39%, and PERA's Correctional Fund is 94.35% funded.

FINANCIAL ANALYSIS OF PERA'S FUNDS

PERA is the administrator of three defined benefit plans and one defined contribution plan. In a defined benefit plan, pension benefits are determined by a member's salary and credited years of service, regardless of contribution amounts and investment returns for those contributions over the working career of a member. PERA administers three such plans: the Public Employees Retirement Fund (PERF), the Public Employees Police and Fire Fund (PEPFF), and the Public Employees Local Government Correctional Services Retirement Fund (which we call the Public Employees Correctional Fund or PECF). In a defined contribution plan, pension benefits are determined by contributions made to a member's account and

investment returns for those contributions. PERA administers one such plan: the Public Employees Defined Contribution Plan (PEDCP).

PERF

Total assets as of June 30, 2006 were \$13.2 billion in the PERF, an increase of \$1.17 billion or 9.7 percent from the prior year. The primary reasons for the increase were strong investment performance during the year and a higher value of collateral through the securities lending program administered by the State Board of Investment. Capital assets, mainly our building and land, made up \$11,205,000 of our total assets.

Total liabilities as of June 30, 2006 were \$1.4 billion, an increase of \$127 million from the prior year, mostly due to the higher value of securities lending collateral on the books at year end.

Total net assets, the difference between total assets and total liabilities, increased about \$1.04 billion, or roughly 9.7 percent from the prior year. Ending net assets were \$11.8 billion on June 30, 2006.

Additions to Plan Net Assets

The reserves needed to finance retirement benefits are accumulated through the collection of member and employer contributions and through earnings on investments. Contributions and net investment income for FY06 totaled \$1.8 billion.

Employer contributions and member contributions increased from the previous year by a total of \$41 million, largely due to contribution rate increases that took effect on January 1, 2006. Member rates in the Coordinated Plan increased from 5.1% to 5.5% and employer rates increased from 5.53% to 6%. Net investment income in FY06 totaled \$1.3 billion as our portfolio returned approximately 12.3 percent, better than our assumed earnings rate of 8.5 percent.

Deductions from Plan Net Assets

Our largest expense was for retirement benefits to members and beneficiaries. Total benefits increased 4.6 percent to \$748 million in FY06. The increase in benefits resulted from an increase in the number of benefit recipients and a 2.5 percent cost of living increase for most retirees effective January 1, 2006. The amount of refunds increased \$1.5 million in FY06 due to more people taking refunds. Administrative expenses decreased slightly in FY06 to 9 million. As stated earlier, additions to net assets exceeded deductions from net assets, resulting in a \$1.04 billion change in net assets.

Overall Financial Position

The financial position of a public pension plan is not so much determined by what is found on the face of the financials, but by looking at trends in the funding ratio and contribution sufficiency or deficiency. For the first time since 2001, when we began a 3-year stretch of investment returns below our assumed 8.5% rate of return, our funding ratio improved in FY06. The PERF is now 74.65% funded, an increase from 74.53% in FY05. In general, this indicates that for every dollar of benefits we expect to pay out, we already have about 75 cents in our reserves to cover it. Since investment gains and losses are smoothed over 5 years, it took us a few years to recover from the poor investment returns we had in 2001, 2002 and 2003. We have achieved excellent returns over the past three years, and now have \$333 million in investment gains that have not yet been recognized in the actuarial value of assets. Those gains will be recognized over the next 4 years.

Contribution rates have not been sufficient for us to become fully funded. In 2005, legislation was passed that will increase contribution rates 2.37 percent over a five-year period. The first of those steps occurred on January 1, 2006. Member contribution rates will increase 0.25% per year in each of the next two years,

and employer rates will increase 0.25% per year in each of the next four years.

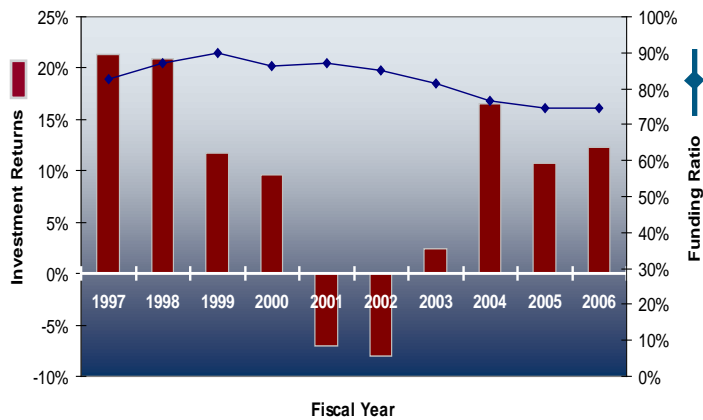
Net Assets—Defined Benefit Plans (dollars in thousands)

	PERF		PEPF		PECF	
	2006	2005	2006	2005	2006	2005
ASSETS						
Cash and Receivables	\$ 14,407	\$ 21,203	\$ 25,595	\$ 35,025	\$ 700	\$ 439
Investments	11,797,957	10,728,116	4,779,052	4,383,264	130,549	100,054
Securities Lending Collateral	1,406,240	1,301,601	571,452	530,845	15,503	11,920
Capital Assets and Other	11,325	11,782	-	-	-	-
Total Assets	\$13,229,929	\$12,062,702	\$5,376,099	\$4,949,134	\$146,752	\$112,413
LIABILITIES						
Accounts Payable	\$ 26,826	\$ 3,845	\$ 2,392	\$ 2,013	\$ 398	\$ 205
Accrued Compensated Absences	710	751	-	-	-	-
Securities Lending Collateral	1,406,240	1,301,601	571,452	530,845	15,503	11,920
Bonds Payable	10,597	10,806	-	-	-	-
Total Liabilities	\$1,444,373	\$1,317,003	\$ 573,844	\$ 532,858	\$ 15,901	\$ 12,125
Total Net Assets	\$11,785,556	\$10,745,699	\$4,802,255	\$4,416,276	\$130,851	\$100,288

Discussion and Analysis

(Continued)

Investment Returns vs. PERF Funding Ratio



PEPFF

Total assets as of June 30, 2006 were \$5.376 billion in the Public Employees Police and Fire Fund, an increase of \$426 million, or 8.6 percent from the prior year. The increase is due to strong investment earnings and a larger amount of securities lending collateral on the books at year end. Total liabilities as of June 30, 2006 were \$574 million, an increase of \$41 million due to the larger securities lending collateral.

Total net assets, the difference between total assets and total liabilities, increased \$386 million or roughly 8.7 percent from the prior year to an ending balance of \$4.8 billion.

Additions to Plan Net Assets

Contributions and net investment income for FY06 totaled \$652 million. Employer contributions increased \$8 million and member contributions increased \$5 million in FY06, largely due to an increase in contribution rates. Effective January 1, 2006 member rates increased from 6.2% to 7.0% and employer rates

increased from 9.3% to 10.5%. Net investment income in FY06 totaled \$544 million, an increase of \$109 million from last year due to better than average investment returns of 12.3%.

Deductions from Plan Net Assets

Retirement benefits to members and beneficiaries made up over 99 percent of our total deductions. The amount of benefits paid increased 5 percent in FY06 to \$264 million. The increase in benefits resulted from an increase in the number of benefit recipients and a 2.5 percent cost of living increase for most retirees effective January 1, 2006. The amount of refunds increased \$133,000 in FY06. Though the actual number of refunds decreased slightly during the year, we had a handful of large refunds that increased the total dollar value of refunds issued. Administrative expenses increased slightly during the year.

Overall Financial Position

The Police and Fire Plan was 95.39% funded as of July 1, 2006. Though this is the sixth year in a row our funding ratio has decreased, it is still a fairly healthy funding ratio, indicating that we have 95 cents available in reserves to pay each dollar in future benefits. For several years we had excess assets in the Police & Fire Plan, so were able to maintain contribution rates that were well below our normal cost, knowing the difference could be made up via investment returns on the excess assets. Benefit improvements coupled with poor investment returns earlier this decade and a growing number of disabilitants depleted excess assets, leaving us with contribution rates too low to make any improvement in our funding ratio. We now have a 7.1 percent contribution deficiency. Legislation passed in 2005 increases rates over a 4-year period. Member rates will increase 0.8 percent and employer rates will increase 1.2 percent in each of the next 3 years.

Changes in Net Assets—Defined Benefit Plan Funds (dollars in thousands)

	PERF		PEPFF		PECF	
	2006	2005	2006	2005	2006	2005
ADDITIONS						
Employer Contributions	\$ 255,531	\$ 232,963	\$ 63,603	\$ 55,802	\$ 11,826	\$ 10,814
Member Contributions	235,901	216,701	42,970	37,873	7,881	7,192
Investment Income (Loss)	1,331,296	1,047,792	543,959	435,327	12,995	8,714
Other	4,094	4,310	1,917	2,113	11	9
Total Additions	\$1,826,822	\$1,501,766	\$652,449	\$531,115	\$32,713	\$26,729
DEDUCTIONS						
Retirement Benefits	\$ 748,391	\$ 715,043	\$ 264,601	\$ 251,429	\$ 1,341	\$ 1,041
Refund of Contributions	26,452	24,952	867	734	619	691
Administrative Expenses	9,029	9,118	707	703	186	176
Other	3,093	2,040	295	477	4	9
Total Deductions	\$ 786,965	\$751,153	\$266,470	\$253,343	\$ 2,150	\$ 1,917
Increase in Net Assets	<u>\$1,039,857</u>	<u>\$750,613</u>	<u>\$385,979</u>	<u>\$277,772</u>	<u>\$30,563</u>	<u>\$24,812</u>
Ending Net Assets	<u>\$11,785,556</u>	<u>\$10,745,699</u>	<u>\$4,802,255</u>	<u>\$4,416,276</u>	<u>\$130,851</u>	<u>\$100,288</u>

PECF

In the Public Employees Correctional Fund, total assets as of June 30, 2006 equaled \$146 million, an increase of \$34 million or 30% from the prior year. The PECF is a very new fund, and brings in more cash through contributions than it spends paying benefits and refunds. Total liabilities as of June 30, 2006 were \$16 million, an increase of \$4 million from the prior year, due to more securities being loaned out at year end and thus more securities lending collateral on the books. Total net assets, the difference between total assets and total liabilities, increased \$30.5 million in fiscal year 2006, resulting in an ending net asset value of \$131 million.

Additions to Plan Net Assets

Contributions and net investment income for FY06 totaled \$32.7 million, an increase of \$6 million. Employer and member contributions increased roughly 9.4 percent to \$11.8 million and \$7.9 million respectively, due to an increase in the number of active members and higher salaries. Contribution rates were not increased in the PECF. Net investment income in FY06 totaled \$13 million, an increase of \$4.3 million from FY05, due to above average investment returns.

Deductions from Plan Net Assets

Expenses for this plan are still quite small. Retirement benefits increased 29% from \$1 million in FY05 to \$1.3 million in FY06 as more members became eligible to retire. Refunds decreased 10% to \$619,000. Administrative expenses increased slightly and represent less than two-tenths of one percent of total net assets.

Overall Financial Position

In only its seventh year of existence, the Public Employees Correctional Fund is 94.35% funded, an increase from last year's 90.11%. With only seven years of experience it is difficult to know if our long-term assumptions are accurate, but we believe contribution levels are sufficient to fully fund this plan within the next 17 years.

POST RETIREMENT FUND

When members retire, an amount equal to the present value of expected future benefits is moved from the Active Funds to the Minnesota Post Retirement Investment Fund (MPRIF) to pay those benefits. The

MPRIF is made up of retirement assets from PERA along with assets from the Teachers Retirement Association and Minnesota State Retirement System. Due to large post retirement benefit increases during the 1990's and 2000 in conjunction with three poor investment years in 2001-03, the MPRIF is now roughly 84% funded. Liabilities exceed assets by more than \$4 billion. PERA's share of that \$4 billion is \$1.4 billion. Since contributions from active members can not be used to supplement the MPRIF, we must rely on investment returns being higher than 8.5 percent over an extended period of time in the MPRIF in order to make up the difference between assets and liabilities. We believe it will take several years for that to happen, if it is able to happen at all.

Minnesota statutes require our actuary to determine funding ratios in the three Active Funds (PERF, PEPFF, and PECF) assuming the MPRIF is fully funded. The funding ratios found throughout this Comprehensive Annual Financial Report are calculated in accordance with statutes. As previously stated, our funding ratios are 74.65% (PERF), 95.39% (PEPFF) and 94.35% (PECF), assuming the MPRIF is fully funded. If we take our share of the MPRIF into consideration when determining funding ratios, our funding ratios as of June 30, 2006 would be approximately 68% (PERF), 88% (PEPFF) and 94% (PECF).

AGENCY SUMMARY

PERA's combined net assets have increased consistently over the last three decades, with the exception of the economic downturn of fiscal years 2001 and 2002. FY06 was no exception, due to excellent investment returns, increased contribution rates in two of the three plans, and a growing membership. Funding ratios in two of the plans improved, and the third plan is still more than 95% funded. We have concerns with the MPRIF that we plan to address with the legislature this next session. The Board of Trustees will continue to strive to ensure the security and stability of our funds.

This financial report is designed to provide a general overview of PERA's finances and to demonstrate its accountability with the assets it holds in trust. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to PERA at 60 Empire Drive, Suite 200 in St. Paul, Minnesota 55103-2088.

Statement of Plan Net Assets

As of June 30, 2006 (in thousands)

	Defined Benefit Funds				Total
	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Public Employees Correctional Fund	Public Employees Defined Contribution Plan	
ASSETS					
Cash	\$ 1,543	\$ 0	\$ 0	\$ 0	\$ 1,543
Receivables					
Accounts Receivable	\$ 11,826	\$ 24,703	\$ 462	\$ 89	\$ 37,080
Due from Other Funds	1,038	892	238	19	2,187
Total Receivables	\$ 12,864	\$ 25,595	\$ 700	\$ 108	\$ 39,267
Investments at fair value					
Equity in Minnesota Post					
Retirement Investment Fund	\$ 5,747,712	\$ 2,015,350	\$ 4,804	\$ 0	\$ 7,767,866
External Domestic Equity	2,037,040	929,601	41,870		3,008,511
Fixed Income	1,404,243	640,638	28,864		2,073,745
Global Equity	949,840	433,768	19,521		1,403,129
Passive Domestic Equity	926,112	423,156	19,031		1,368,299
SBI Alternative	672,690	307,336	13,823		993,849
Short-Term Cash Equivalent	60,320	29,203	2,636	316	92,475
Investments for Defined Contrib.	0	0	0	26,745	26,745
Total Investments	\$11,797,957	\$4,779,052	\$130,549	\$27,061	\$16,734,619
Securities Lending Collateral	\$ 1,406,240	\$ 571,452	\$ 15,503	\$ 2,361	\$ 1,995,556
Capital Assets					
Equipment Net of					
Accumulated Depreciation	\$ 745	\$ 0	\$ 0	\$ 0	\$ 745
Property Net of					
Accumulated Depreciation	10,460	0	0	0	10,460
Total Capital Assets	\$ 11,205	\$ 0	\$ 0	\$ 0	\$ 11,205
Deferred Bond Charges	\$ 120	\$ 0	\$ 0	\$ 0	\$ 120
Total Assets	\$13,229,929	\$5,376,099	\$146,752	\$29,530	\$18,782,310
LIABILITIES					
Accounts Payable	\$ 25,676	\$ 1,673	\$ 212	\$ 0	\$ 27,561
Payable to Other Funds	1,150	719	186	132	2,187
Securities Lending Collateral	1,406,240	571,452	15,503	2,361	1,995,556
Accrued Compensated Absences	710	0	0	0	710
Bonds Payable	10,597	0	0	0	10,597
Total Liabilities	\$ 1,444,373	\$ 573,844	\$ 15,901	\$ 2,493	\$ 2,036,611
Net Assets held in trust for Pension Benefits	\$11,785,556	\$4,802,255	\$130,851	\$27,037	\$16,745,699

(A schedule of funding progress for each plan is presented on page 32.)

The accompanying notes are an integral part of the financial statements.

Statement of Changes in Plan Net Assets

For the Fiscal Year Ended June 30, 2006 (in thousands)

	Public Employees Retirement Fund	Public Employees Police and Fire Fund	Public Employees Correctional Fund	Public Employees Defined Contribution Plan	Total
ADDITIONS					
Contributions					
Employer	\$ 255,531	\$ 63,603	\$ 11,826	\$ 1,392	\$ 332,352
Plan member	<u>235,901</u>	<u>42,970</u>	<u>7,881</u>	<u>1,282</u>	<u>288,034</u>
Total Contributions	\$ 491,432	\$ 106,573	\$ 19,707	\$ 2,674	\$ 620,386
Investments					
Net appreciation (depreciation) in fair value	\$ 620,818	\$ 275,717	\$ 9,386	\$ 1,680	\$ 907,601
Interest	78,253	35,946	1,549	141	115,889
Dividends	95,965	44,344	1,858	0	142,167
Distributed income of the Minnesota Post Retirement Investment Fund	<u>548,861</u>	<u>193,121</u>	<u>329</u>	<u>0</u>	<u>742,311</u>
Total investment activity Income	\$ 1,343,897	\$ 549,128	\$ 13,122	\$ 1,821	\$ 1,907,968
Less investment expense	<u>(16,745)</u>	<u>(6,854)</u>	<u>(173)</u>	<u>0</u>	<u>(23,772)</u>
Net income from investment activity	\$ 1,327,152	\$ 542,274	\$ 12,949	\$ 1,821	\$ 1,884,196
<i>From securities lending activities:</i>					
Securities lending income	\$ 61,533	\$ 24,987	\$ 676	\$ 116	\$ 87,312
Securities lending expenses:					
Borrower rebates	(56,139)	(22,794)	(616)	(106)	(79,655)
Management fees	<u>(1,250)</u>	<u>(508)</u>	<u>(14)</u>	<u>(2)</u>	<u>(1,774)</u>
Net income from securities lending	\$ 4,144	\$ 1,685	\$ 46	\$ 8	\$ 5,883
Total Net Investment Income	\$ 1,331,296	\$ 543,959	\$ 12,995	\$ 1,829	\$ 1,890,079
Other additions	\$ 4,094	\$ 1,917	\$ 11	\$ 0	\$ 6,022
Total Additions	\$ 1,826,822	\$ 652,449	\$ 32,713	\$ 4,503	\$ 2,516,487
DEDUCTIONS					
Benefits	\$ 748,391	\$ 264,601	\$ 1,341	\$ 0	\$ 1,014,333
Refunds of contributions	26,452	867	619	1,390	29,328
Administrative expenses	9,029	707	186	130	10,052
Other deductions	<u>3,093</u>	<u>295</u>	<u>4</u>	<u>0</u>	<u>3,392</u>
Total Deductions	\$ 786,965	\$ 266,470	\$ 2,150	\$ 1,520	\$ 1,057,105
Net Increase (Decrease)	\$ 1,039,857	\$ 385,979	\$ 30,563	\$ 2,983	\$ 1,459,382
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS					
Beginning of year	\$10,745,699	\$4,416,276	\$100,288	\$24,054	\$15,286,317
End of year	\$11,785,556	\$4,802,255	\$130,851	\$27,037	\$16,745,699

The accompanying notes are an integral part of the financial statements.

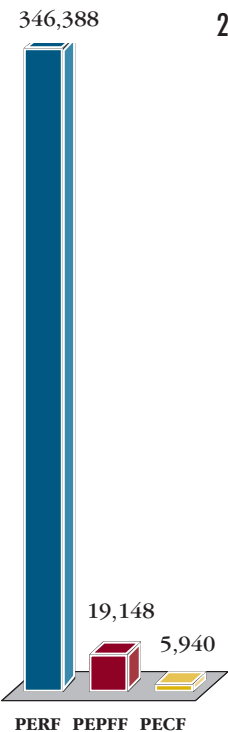
Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2006

PERA is the administrator of three cost-sharing, multiple-employer retirement plans and one multiple-employer deferred compensation plan.

Plan Participation

(Total Membership)



A. PLAN DESCRIPTION

1. Organization

The Public Employees Retirement Association (PERA) is the administrator of three cost-sharing, multiple-employer retirement plans, the Public Employees Retirement Fund (PERF), the Public Employees Police and Fire Fund (PEPFF), and the Public Employees Local Government Correctional Service Retirement Fund, called the Public Employees Correctional Fund (PECF). In addition, PERA administers one multiple-employer deferred compensation plan, the Public Employees Defined Contribution Plan (PEDCP). The plans, including benefit provisions and the obligation to make contributions, are established and administered in accordance with Minnesota Statutes, Chapters 353, 353A, 353B, 353D, 353E and 356. It is also these statutes that define financial reporting requirements.

2. Participating Employers

PERA serves approximately 2000 separate units of government in the PERF, 500 units of government in the PEPFF, 80 counties in the PECF, and 1000 units in the PEDCP. These units of government are made up of counties, cities, townships, school districts, and generally other units of government whose revenues are derived from taxation, fees, or assessments. The defined contribution plan serves any local unit of government whose current or former elected officials elect to participate. The PEDCP also serves any publicly operated ambulance service that receives an operating subsidy from a governmental entity, and elects to participate.

3. Participating Members

The PERF covers employees of counties, cities, townships and employees of schools in non-certified positions throughout the State of Minnesota. The PEPFF, originally established for police officers and fire-fighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and fire-fighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA. The PECF covers employees in county correctional institutions who have direct contact with inmates. Coverage under the PEDCP is open to elected local government officials (except elected county sheriffs), emergency medical service personnel employed by or providing service to any of the participating ambulance services, and physicians employed at public facilities. Elected officials and ambulance personnel who are covered by a public or private pension plan because of their employment are not eligible to participate in the PEDCP. At June 30, 2006, there were 6,698 members in the plan.

Shown in **Figure 1** below are the membership totals in the PERA defined benefit plans as of June 30, 2006.

4. Benefit Provisions - Defined Benefit Plans

a) PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. All benefits vest after three years of credited service. Retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. PERF members

Fig.1 PERA Membership — Defined Benefit Plans

	PERF	PEPFF	PECF	Total
Retirees and beneficiaries receiving benefits	59,078	6,801	223	66,102
Terminated employees entitled to benefits/refunds but not yet receiving them:				
Vested	37,476	999	1,100	39,575
Non-Vested	105,590	757	1,086	107,433
Current, active employees:				
Vested	105,924	8,836	2,218	116,978
Non-Vested	38,320	1,755	1,313	41,388
Total	346,388	19,148	5,940	371,476

belong to either the Basic or Coordinated Plan. Coordinated members are covered by Social Security and Basic members are not. All new members must participate in the Coordinated Plan. Two methods are used to compute benefits for Coordinated and Basic members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2).

Under **Method 1**, the annuity accrual rate for Basic members is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. For a Coordinated member, the annuity accrual rate is 1.2 percent of average salary for each of the first 10 years of service and 1.7 percent for each remaining year. Under **Method 2**, the annuity accrual rate is 2.7 percent of average salary for Basic members and 1.7 percent for Coordinated members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent of average salary for each year of service. For PERF members whose annuity is calculated using Method 1, and for all PEPFF and PECF members, a full annuity is available when age plus years of service equal at least 90. A reduced retirement annuity is also available to eligible members seeking early retirement. The annuity accrual rate for PECF members is 1.9 percent of average salary for each year of service in that plan.

The benefit provisions stated in the preceding paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service.

5. Benefit Provisions and Contribution Rates — Defined Contribution Plan

The Public Employees Defined Contribution Plan (PEDCP) is a multiple-employer deferred compensation plan. The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf

of employees are tax deferred until time of withdrawal. (See Notes A.2 and A.3 for employer and employee membership requirements.) The plan is established and administered in accordance with Minnesota Statutes, Chapter 353D.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official or physician who decides to participate contributes 5 percent of salary, which is matched by the employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. Investment options include the Income Share, Growth Share, Common Stock Index, Bond Market, Money Market, International Share, and the Fixed Interest (formerly the Guaranteed Return) accounts. For administering the plan, PERA receives 2 percent of employer contributions paid during the year, plus four-tenths of one percent (0.4%) of the assets in each member's account each year.

There is no vesting period required to receive benefits in the PEDCP. At the time of retirement or termination, PERA distributes the market value of a member's account to the member or transfers it to another qualified plan or individual retirement arrangement. Upon the member's death, PERA distributes the value of the account to the member's designated beneficiary.

The PEDCP is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

There is no vesting period required to receive benefits in the PEDCP.

Notes

(Continued)

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND PLAN ASSET MATTERS

1. Reporting Entity

PERA functions as a separate statutory entity. The association maintains rights to sue or be sued in its own name and to hold property in its own name. For financial reporting purposes, PERA is considered a pension trust fund of the State of Minnesota and is included in the State's Comprehensive Annual Financial Report with its fiduciary funds. PERA does not have any component units.

2. Basis of Accounting

PERA financial statements for all funds are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues when due, pursuant to formal commitments and statutory requirements. Expenses are recorded when the liability is incurred. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

3. Investment Policies and Valuation Methodology

a) Pursuant to Minnesota Statutes, Section 11A.04, the state's retirement fund assets are commingled in various pooled investment accounts, administered by the State Board of Investment (SBI). As of June 30, 2006, the participation shares in the external pools at fair value, excluding the Minnesota Post Retirement Investment Fund (MPRIF), totaled approximately 27.49 percent for the PERE, 12.55 percent for the PEPFF and 0.57 percent for the PECF.

The funds' shares of net assets of the Minnesota Post Retirement Investment Fund, at fair value, totaled 26.14 percent, 9.22 percent and 0.02 percent, respectively.

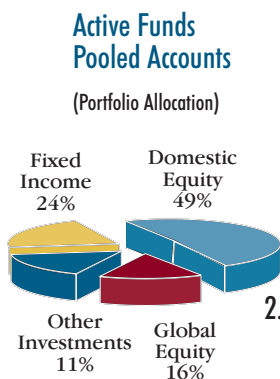
b) Minnesota Statutes, Section 11A.24, broadly restricts retirement fund investments to obligations and stocks of United States and Canadian governments, their agencies and their registered corporations; short term obligations of specified high quality; restricted participation as a limited partner

in venture capital, real estate or resource equity investments; restricted participation in registered mutual funds; and some qualified foreign instruments.

c) Investments in the pooled accounts, including assets of the PEDCP, are reported at fair value. **Figure 2** provides a summary of cost and fair values of the investments as of June 30, 2006 as reported on the Statement of Plan Net Assets. The fair value of investments is based upon valuations provided by a recognized pricing service. Securities traded on a national or international exchange are valued using the last reported trade price. Short-term investments are reported at cost, which approximates fair value. The fair value of real estate investments is based on independent yearly appraisals. Investments that do not have an established market are reported at estimated fair value.

d) Information about the primary government's (State of Minnesota) investments, including credit risk classification, can be obtained from the Minnesota Department of Finance, 400 Centennial Building, 658 Cedar Street, St. Paul, Minnesota 55155. Information on specific investments owned by the pooled accounts, currency risk, interest rate risk, investment activity and investment management fees paid can be obtained from the Minnesota State Board of Investment at the Retirement Systems of Minnesota Building, 60 Empire Drive, Suite 355, St. Paul, Minnesota 55103.

e) Investment income is recognized as earned. Accrued investment income of the pooled investment accounts is includ-



PERA functions as a separate statutory entity. The association maintains rights to sue or be sued in its own name and to hold property in its own name. For financial reporting purposes, PERA is considered a pension trust fund of the State of Minnesota.

Fig. 2 PERA Investments — All Funds (in thousands)

	Cost June 30, 2006	Fair Value June 30, 2006
Pooled Accounts		
External Domestic Equity	\$ 3,125,411	\$ 3,008,511
Fixed Income	2,172,210	2,073,745
Global Equity	1,233,795	1,403,129
Passive Domestic Equity	1,225,641	1,368,299
SBI Alternative	839,982	993,849
Total Pooled Accounts	\$ 8,597,039	\$ 8,847,533
Short Term Pooled Cash	\$ 92,159	\$ 92,159
Post Retirement Investment Account	\$ 9,177,307	\$ 7,767,866
Cash and Investments for Deferred Comp. Benefits	\$ 27,061	\$ 27,061
Totals	\$17,893,566	\$16,734,619

ed in participation in the accounts. Gains and losses on sales or exchanges are recognized on the transaction date.

f) The cost of security transactions is included in the transaction price. Administrative expenses of the State Board of Investment and investment management fees of the external money managers and the state’s master custodian for pension fund assets are allocated to the funds participating in the pooled investment accounts. PERA’s share of these expenses totaled \$16,745,454 for PERF, \$6,853,958 for PEPFF, and \$172,382 for PECF. A detailed schedule of fees and commissions by brokerage firm, along with the number of shares traded, total commissions, and commissions per share may be obtained from the Minnesota State Board of Investment at the Retirement Systems of Minnesota Building, 60 Empire Drive, Suite 355, St. Paul, Minnesota 55103.

4. Cash

Cash on deposit consists of year-end receipts not processed as of the investment cutoff deadline on June 30. PERA cash funds are held in the state treasury, commingled with other state funds. Minnesota Statutes, Section 9.031, requires that deposits be secured by depository insurance or a combination of depository insurance and collateral securities held in the state’s name by an agent of the state. Such insurance and collateral shall be in amounts sufficient to ensure that deposits do not exceed 90 percent of the sum of the insured amount and the market value of the collateral. Throughout fiscal year 2006, the combined depository insurance and collateral was sufficient to meet legal requirements and secure all PERA deposits, eliminating exposure to custodial credit risk.

5. Investment Risk

a) Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligations to the holder of the investment. The State Board of Investment has policies designed to minimize credit risk. They may invest funds in governmental obligations provided the issue is backed by the full faith and credit of the issuer or the issue is rated among

the top four quality rating categories by a nationally recognized rating agency. They may invest funds in corporate obligations provided the issue is rated among the top four quality categories by a nationally recognized rating agency. They may also invest in unrated corporate obligations or in corporate obligations that are not rated among the top four quality categories provided that:

- ▶▶▶ The aggregate value of these obligations may not exceed five percent of the fund for which the state board is investing;
- ▶▶▶ Participation is limited to 50 percent of a single offering; and
- ▶▶▶ Participation is limited to 25 percent of an issuer’s obligations.

SBI may also invest in bankers acceptances, deposit notes of U.S. banks, certificates of deposit, mortgage securities, and asset backed securities rated in the top four quality categories by a nationally recognized rating agency. Commercial paper must be rated in the top two quality categories.

PERA’s share of SBI’s exposure to credit risk, based on S&P Quality Ratings for debt securities and short-term investments, is shown in **Figure 3**:

Fig. 3 Credit Risk Exposure

Quality Rating	Fair Value (in thousands)
BBB or Better	\$ 4,706,965
BB or Lower	122,604
Not Rated	136,035

b) Concentration of credit risk is the risk of loss that may be attributed to the magnitude of a government’s investment in a single issuer. PERA does not have exposure to a single issuer that equals or exceeds 5% of the overall portfolio and, therefore, there is no concentration of credit risk.

c) Interest rate risk is the risk that changes in interest rates of debt investments could adversely affect the fair value of an investment. The State Board of Investment does not have a policy on interest rate risk. Debt securities are held in external investment pools and PERA’s share has the following weighted average maturities as shown in **Figure 4**:

A detailed schedule of fees and commissions by brokerage firm, along with the number of shares traded, total commissions, and commissions per share may be obtained from the Minnesota State Board of Investment.

Notes

(Continued)

Legislation was passed in 1999 allowing PERA, the Minnesota Teacher's Retirement Association and the Minnesota State Retirement System to purchase land and construct a 140,000 square foot building to house all three retirement systems. The systems moved into the facility in September 2001.

Fig. 4 Weighted Average Maturities

<u>Security</u>	<u>Weighted Avg. Maturity (in years)</u>
Cash Equivalents	0.17
Mutual Funds	0.23
U.S. Agencies	3.81
Corporate Bonds	6.56
Municipal Bonds	7.35
U.S. Treasuries	7.55
Asset-Backed Securities	16.21
Mortgage-Backed Securities	24.77

d) Foreign currency risk is the risk that changes in exchange rates between the U.S. dollar and foreign currencies could adversely affect the fair value of an investment. Most foreign currency risk resides within SBI's international equity investment holdings. In order to reduce foreign currency risk, the State Board of Investment has developed the following policies. Government obligations, including guaranteed or insured issues of the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank, must pay interest and principal in U.S. dollars. The principal and interest of obligations of corporations, including those corporations incorporated or organized under the laws of the Dominion of Canada or any province thereof, must also be paid in U.S. dollars. SBI has less than a 15 percent exposure to currency risk. PERA's share of investments at June 30, 2006, shown in **Figure 5**, was distributed among the following currencies:

e) In accordance with Minnesota Statutes, SBI has the authority to enter into, and has entered into, derivative transactions including put and call options and future contracts traded on a contract market regulated by a governmental agency or by a financial institution regulated by a governmental agency. Any agreements for put and call options and futures contracts may only be entered into with a fully offsetting amount of cash or

security. As of June 30, 2006, PERA's exposure to market risk is minimal.

5. Capital Assets

Capital assets, generally assets with a cost in excess of \$5,000 and a useful life greater than 1 year, are capitalized at the time of acquisition at cost. Depreciation is computed on a straight-line method over the useful life of the related assets. The estimated useful lives are three to 10 years for furniture and equipment.

Capital assets are presented on the June 30, 2006 Statement of Plan Net Assets at historical cost, net of accumulated depreciation, as summarized in **Figure 6**.

6. Building and Land

Legislation was passed in 1999 allowing PERA, the Minnesota Teacher's Retirement Association and the Minnesota State Retirement System to purchase land and construct a 140,000 square foot building to house all three retirement systems. The systems moved into the facility in September 2001. Ownership of the facility is pro-rated based on the amount of square footage each retirement system occupies in the building. PERA's ownership share is 39.8 percent. PERA's share of the cost to purchase the 4.3 acres of land was \$170,308.

In June 2000 the State of Minnesota, under the authority of the Commissioner of Finance, issued revenue bonds totaling \$29 million on behalf of the three retirement systems to pay for the construction

Fig. 5 Fair Value (in thousands)

<u>Currency</u>	<u>Cash</u>	<u>Fixed Income</u>	<u>Equity</u>
Australian Dollar			\$ 86,000
Canadian Dollar			120,020
Euro			708,844
Hong Kong Dollar			70,815
Indian Rupee			20,517
Japanese Yen			495,073
New Taiwan Dollar			37,094
Norwegian Krone			23,493
Pound Sterling			470,174
Singapore Dollar			20,795
South African Rand			33,674
South Korean Won			46,643
Swedish Krona			44,464
Swiss Franc			155,291
Other	\$16,233	\$2,083	85,051
Total	\$16,233	\$2,083	\$2,417,948

of the facility. Those bonds are backed by the assets of the three retirement systems, excluding equity in the Minnesota Post Retirement Investment Fund and assets in the Defined Contribution Plans, and both principal and interest payments are made by the retirement systems using the same ownership ratio to determine amounts. At year end, PERA's share of the bonds payable is \$10,596,750. We are depreciating the facility over 40 years. PERA's share of bond issuance costs are shown on the Statement of Plan Net Assets as Deferred Bond Charges and are being amortized over 30 years, the life of the bonds. The bond repayment schedule is shown in **Figure 7**.

7. Accrued Compensated Absences

PERA's employees accrue vacation leave, sick leave and compensatory leave at various rates within limits specified in collective bargaining agreements. Accumulated amounts for compensated absences are accrued when incurred. Such leave is liquidated in cash primarily at the time of termination of employment. We estimate that \$69,682 is considered a short-term liability and \$640,541 is considered a long-term liability. The total, \$710,223, is shown on the Statement of Plan Net Assets.

8. Securities Lending

PERA does not own specific securities, but instead owns shares in pooled funds invested by the State Board of Investments (SBI). The SBI is authorized to enter into securities lending transactions in accordance with Minnesota Statutes, Chapter 356A.06, subd. 7 and has, via a Securities Lending Authorization

Agreement, authorized State Street Bank and Trust Company to lend its securities to broker-dealers and banks pursuant to a form of loan agreement.

During the fiscal year, State Street lent, at the direction of the SBI, certain securities held by State Street as custodian and received cash (both United States and foreign currency), securities issued or guaranteed by the United States government, sovereign debt of foreign countries, and irrevocable bank letters of credit as collateral. State Street did not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to deliver collateral for each loan in amounts equal to not less than 102% of the market value of the loaned securities.

The SBI did not impose any restrictions during the fiscal year on the amount of the loans that State Street made on its behalf. There were no failures by any borrower to return loaned securities or pay distributions thereon during the fiscal year. Moreover, there were no losses during the fiscal year resulting from a default of the borrowers or State Street.

During the fiscal year, the SBI and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool. As of June 30, 2006, the investment pool had an average

PERA does not own specific securities, but instead owns shares in pooled funds invested by the State Board of Investments (SBI). The SBI is authorized to enter into securities lending transactions and has authorized State Street Bank and Trust Company to act as agent in lending securities to broker-dealers and banks.

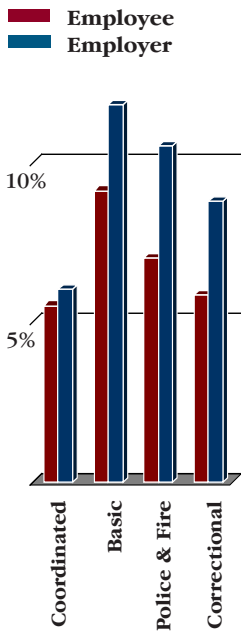
Fig. 6 Capital Assets (in thousands)

	Balance July 1, 2005	Additions	Deductions	Balance June 30, 2006
Capital assets not being depreciated:				
Land	\$ 170	\$ 0	\$ 0	\$ 170
Capital assets being depreciated:				
Building	\$ 11,758	\$ 0	0	\$ 11,758
Furniture & Fixtures	522	0	0	522
Data Processing Equipment	1,546	40	0	1,586
Office Equipment	154	0	0	154
Total capital assets being depreciated	\$13,980	\$ 40	\$0	\$14,020
Less accumulated depreciation for:				
Building	\$ (1,173)	\$ (294)	\$ 0	\$ (1,467)
Equipment, Furniture & Fixtures	(1,320)	(197)	0	(1,517)
Total accumulated depreciation	\$ (2,493)	\$ (491)	\$ 0	\$ (2,984)
Total capital assets, net of accumulated depreciation	\$11,657	\$ (451)	\$0	\$11,206

Notes

(Continued)

FY06 Contribution Rates



duration of 50 days and an average final maturity of 463 days. Because the loans were terminable at will their duration did not generally match the duration of the investments made with cash collateral. On June 30, 2006 SBI had no credit risk exposure to borrowers. PERA's portion of the collateral held and the fair value of securities on loan from the SBI as of June 30, 2006 was \$2,105,172,669 and \$2,062,105,694 respectively. Cash collateral of \$1,995,556,271 is reported on the Statement of Plan Net Assets as an asset. Liabilities resulting from these securities lending transactions are also reported on the Statement of Plan Net Assets.

C. CONTRIBUTIONS REQUIRED AND CONTRIBUTIONS MADE

Minnesota Statutes, Chapters 353, 353A, 353B, 353E and 356 set the rates for employer and employee contributions. In 2005 the Minnesota legislature passed legislation that increases employer and employee contribution rates for PEPFF members and for Coordinated Plan members of the PERF over a five-year period. Current and future contribution rates are shown in **Figure 8**. New contribution rates are expected to be sufficient to get the PERF fully funded by the year 2031, the PECF by the year 2023, and the PEPFF by 2020, as is required under Minnesota Statutes. The required contributions are expressed as a level percentage of covered payroll and are actuarially determined using an individual entry-age actuarial cost method.

Legislation passed in 1999 closed the Police and Fire Consolidation Fund and moved members and necessary assets to the PEPFF. Some consolidation units were not fully funded at the time, and an amortization schedule was created that allowed those units to pay off the unfunded liability over a 10-year period. The method for calculating yearly payments was set forth in Minnesota Statutes and calculated

by an actuary. Payments are due by January 31st each year through the year 2009. In fiscal year 2006 we received \$6,428,330 in principal and interest payments. Future principal payments of \$17,101,646 are shown on the Statement of Plan Net Assets as a receivable. Of that amount, \$5,242,323 is due by January 31, 2007.

D. MINNESOTA POST RETIREMENT INVESTMENT FUND (MPRIF) RESERVE

For all retiring members, except those in the PEPFF who have not elected to have their post retirement adjustments determined by the MPRIF formula, the reserves required to pay the cost of the member's annuity are transferred to the MPRIF where the funds are invested along with funds from the other statewide retirement systems. Increases in annuities are based upon CPI and earnings of the MPRIF, as defined in Minnesota Statutes, Section 11.18, Subd. 9.

The MPRIF is a legally required reserve account, and is by definition fully funded when funding ratios are calculated, in

Legislation passed in 1999 closed the Police and Fire Consolidation Fund and moved members and necessary assets to the PEPFF.

Fig 7. Remaining Revenue Bond Repayment Schedule (In dollars)

Fiscal Year	PERA		Total P & I
	Principal	Interest	
2007	\$ 218,900	\$ 612,482	\$ 831,382
2008	228,850	600,716	829,566
2009	238,800	588,416	827,216
2010	248,750	575,580	824,330
2011	268,650	562,210	830,860
2012	278,600	547,703	826,303
2013	298,500	532,519	831,019
2014	308,450	516,102	824,552
2015	328,350	498,983	827,333
2016	348,250	480,595	828,845
2017	368,150	460,919	829,069
2018	388,050	439,934	827,984
2019	417,900	417,621	835,521
2020	437,800	393,592	831,392
2021	467,650	368,200	835,850
2022	497,500	340,725	838,225
2023	527,350	311,497	838,847
2024	557,200	280,515	837,715
2025	597,000	247,780	844,780
2026	626,850	212,706	839,556
2027	666,650	175,879	842,529
2028	716,400	136,713	853,113
2029	756,200	93,729	849,929
2030	805,950	48,357	854,307
Totals	\$10,596,750	\$9,443,473	\$20,040,223

accordance with Minnesota statutes. PERA's share of the MPRIF investments is shown at fair value, and is calculated based on each fund's level of participation in the pooled investments. Participation in the MPRIF is determined by the actuarially determined required reserves level in accordance with Minnesota Statutes, Section 11A.18, Subd. 7. It includes a 6 percent assumed income distribution and any mortality gains or losses incurred during the year. As of June 30, 2006, the Public Employees Retirement Fund's share of net assets of the MPRIF, at participation, is \$6,791,146,399 and at fair value is \$5,747,712,032. The Public Employees Police and Fire Fund's share of net assets of the MPRIF, at participation, is \$2,380,512,560 and at fair value is \$2,015,350,125. The Public Employees Correctional Fund's share of net assets of the MPRIF, at participation, is \$5,649,387 and at fair value is \$4,803,950.

Beginning in fiscal year 1993, the MPRIF income available for distribution is determined using a post-retirement benefit increase formula based on total investment return. This formula contains both an inflation adjustment and an investment component. Stated as a percentage of eligible required reserves, annuitants and other individuals receiving benefits at May 31, 2005 are eligible to receive the following January 1, 2007 benefit increase:

Inflation Based Benefit Increase	2.500%
Investment Based Benefit Increase	0.000%
Total Benefit Increase	2.500%

E. OTHER NOTES

1. Administrative Expenses

Administrative expenses of the Public Employees Retirement Association are paid during the year from the Public Employees Retirement Fund. At year-end, a portion of the expenses are allocated to the Public Employees Police and Fire Fund and the Public Employees Correctional Fund, based on membership counts. The PEDCP reimburses the PERF to the extent of fees collected for recovery of administrative costs. The applicable amounts are reported as expenses of the four funds and reported on the Statement of Plan Net Assets as a payable to other funds or due from other funds. Administrative costs are funded from investment income for the defined benefit plans.

For fiscal year 2006, administrative expenses allocated to PERF, PEPFF, PEECF, and PEDCP totaled \$9,029,035, \$706,534, \$186,478, and \$130,169 respectively.

2. Participating Pension Plan

All employees of the Public Employees Retirement Association are covered by the PERF Coordinated Plan and eligible for the plan provisions described in Note A.4. Minnesota Statute 353.27 sets the rates for employee and employer contributions. These statutes are established and amended by the state legislature. Current rates are shown in Figure 8.

Total covered payroll for PERA employees during fiscal year 2006 was approximately \$4.52 million.

Employer pension contributions for PERA employees for the years ending June 30, 2006, 2005 and 2004 were \$260,366, \$246,135, and \$246,802 respectively, equal to the required contributions for each year as set by state statute.

Fig. 8 Retirement Plan Contribution Rates

Effective Date	Contributor	PERF		PEPFF	PEECF
		Basic	Coordinated		
1/1/02	Member	9.10%	5.10%	6.20%	5.83%
	Employer	11.78%	5.53%	9.30%	8.75%
1/1/06	Member	9.10%	5.50%	7.00%	5.83%
	Employer	11.78%	6.00%	10.50%	8.75%
1/1/07	Member	9.10%	5.75%	7.80%	5.83%
	Employer	11.78%	6.25%	11.70%	8.75%
1/1/08	Member	9.10%	6.00%	8.60%	5.83%
	Employer	11.78%	6.50%	12.90%	8.75%
1/1/09	Member	9.10%	6.00%	9.40%	5.83%
	Employer	11.78%	6.75%	14.10%	8.75%
1/1/10	Member	9.10%	6.00%	9.40%	5.83%
	Employer	11.78%	7.00%	14.10%	8.75%

The MPRIF income available for distribution is determined using a post-retirement benefit increase formula based on total investment return. This formula contains both an inflation adjustment and an investment component.

Schedule of Funding Progress

Required Supplementary Information (last six years, in thousands, unaudited)

PUBLIC EMPLOYEES RETIREMENT FUND

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/2001	\$10,527,270	\$12,105,337	\$1,578,067	87.0%	\$3,466,587	45.5%
6/30/2002	11,017,414	12,958,105	1,940,691	85.0%	3,809,864	50.9%
6/30/2003	11,195,902	13,776,198	2,580,296	81.3%	4,387,649	58.8%
6/30/2004	11,477,961	14,959,465	3,481,504	76.7%	3,968,034	87.7%
6/30/2005	11,843,936	15,892,555	4,048,619	74.5%	4,096,138	98.8%
6/30/2006	12,495,207	16,737,757	4,242,550	74.7%	4,247,109	99.9%

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/2001	\$ 4,510,134	\$ 3,712,360	\$ (797,774)	121.5%	\$ 500,839	-159.3%
6/30/2002	4,707,255	3,886,311	(820,944)	121.1%	522,153	-157.2%
6/30/2003	4,713,606	4,390,953	(322,653)	107.3%	560,503	- 57.6%
6/30/2004	4,746,834	4,692,190	(54,644)	101.2%	551,266	- 9.9%
6/30/2005	4,814,961	4,956,340	141,379	97.2%	580,723	24.4%
6/30/2006	5,017,951	5,260,564	242,613	95.4%	618,435	39.2%

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL)-Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
6/30/2001	\$ 25,014	\$ 25,453	\$ 439	98.3%	\$ 91,025	0.5%
6/30/2002	40,105	42,144	2,039	95.2%	101,309	2.0%
6/30/2003	56,487	62,542	6,055	90.3%	110,296	5.5%
6/30/2004	75,515	85,693	10,178	88.1%	109,600	9.3%
6/30/2005	98,156	108,926	10,770	90.1%	116,849	9.2%
6/30/2006	125,776	133,306	7,530	94.4%	125,189	6.0%

Schedule of Employer Contributions

Required Supplementary Information (last six years, in thousands, unaudited)

PUBLIC EMPLOYEES RETIREMENT FUND

Year Ended June 30	Actuarially Required Contribution Rate* (a)	Actual Covered Payroll (b)	Actual Member Contributions (c)	Annual Required Contribution [(a) x (b)] - (c)	Actual Employer Contribution	Percentage Contributed
2001	11.84%	\$3,466,587	\$173,380	\$237,064	\$188,208	79.39%
2002	11.85%	3,809,864	191,422	260,047	206,982	79.59%
2003	11.52%	4,387,649	205,963	299,494	221,689	74.02%
2004	12.25%	3,968,034	215,697	270,387	225,745	83.49%
2005	12.72%	4,096,138	216,701	304,328	232,963	76.55%
2006	13.26%	4,247,109	235,901	327,265	255,531	78.08%

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Year Ended June 30	Actuarially Required Contribution Rate* (a)	Actual Covered Payroll (b)	Actual Member Contributions (c)	Annual Required Contribution [(a) x (b)] - (c)	Actual Employer Contribution	Percentage Contributed
2001	12.21%	\$ 500,839	\$ 31,341	\$ 29,811	\$ 52,960	177.65%
2002	12.61%	522,153	33,801	32,042	90,664	282.95%
2003	12.52%	560,503	34,751	35,424	50,917	143.74%
2004	19.47%	551,266	36,313	71,018	52,769	74.30%
2005	21.99%	580,723	37,873	89,828	55,802	62.12%
2006	24.36%	618,435	42,970	107,681	63,603	59.07%

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

Year Ended June 30	Actuarially Required Contribution Rate* (a)	Actual Covered Payroll (b)	Actual Member Contributions (c)	Annual Required Contribution [(a) x (b)] - (c)	Actual Employer Contribution	Percentage Contributed
2001	14.36%	\$ 91,025	\$ 5,308	\$ 7,763	\$ 8,054	103.75%
2002	14.21%	101,309	5,882	8,514	8,830	103.71%
2003	14.10%	110,296	6,430	9,122	9,645	105.74%
2004	14.15%	109,600	6,672	8,836	10,029	113.50%
2005	13.06%	116,849	7,192	8,068	10,814	134.03%
2006	13.09%	125,189	7,881	8,507	11,826	139.02%

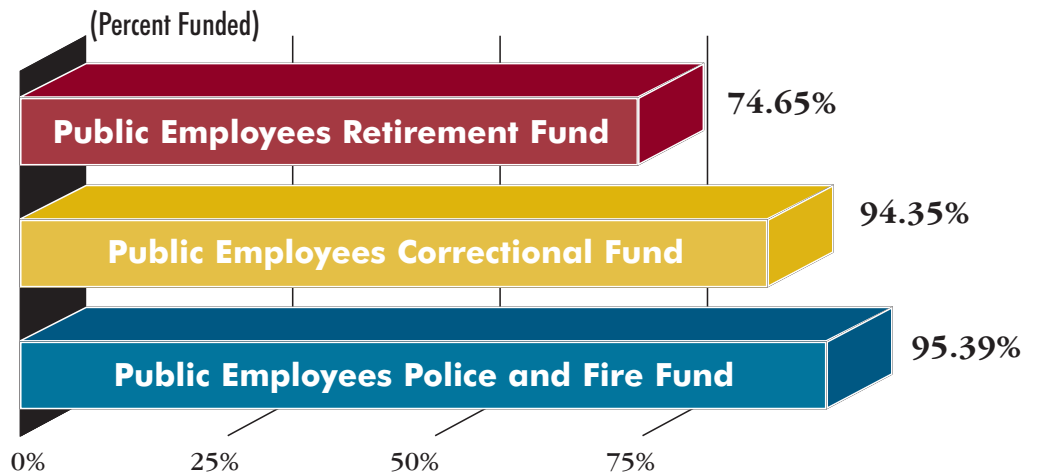
* Actuarially Required Contribution Rate is calculated according to parameters of GASB 25 with no assumption for growth of covered population.

Required Supplementary Information Notes

(unaudited)

	<u>Public Employees Retirement Fund</u>	<u>Public Employees Police & Fire Fund</u>	<u>Public Employees Correctional Fund</u>
Valuation Date	6/30/2006	6/30/2006	6/30/2006
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	Level Percent Closed	Level Percent Closed	Level Percent Closed
Remaining Amortization Period	25 years	14 years	17 years
Asset Valuation Method	Fair Market Value Smoothed Over 5 Years	Fair Market Value Smoothed Over 5 Years	Fair Market Value Smoothed Over 5 Years
Actuarial Assumptions:			
Investment Rate of Return	8.5%	8.5%	8.5%
Projected Salary Increases	5.0% - 6.40%	5.25% - 11.5%	5.25% - 7.75%
Assumed Inflation Rate	5.0%	5.0%	5.0%
Payroll Growth Rate	6.0%	6.0%	6.0%
Mortality Table - Active	1983 GAM Set Back 8 Years, Males; 7 Years, Females	1983 GAM Set Back 6 Years	1983 GAM Set Back 1 Year, Males
Mortality Table - Retired	1983 GAM Set Back 1 Year	1983 GAM Set Back 1 Year	1983 GAM Set Forward 2 Years
Cost of Living Adjustment	No Assumption	No Assumption	No Assumption

FUNDING RATIOS



The chart above reflects funding ratios for the three defined benefit funds administered by PERA, as reported on page 32.

Schedule of Investment Expenses

For the Fiscal Year Ended June 30, 2006 (in thousands, unaudited)

<u>Source of Expenses</u>	<u>Public Employees Retirement Fund</u>	<u>Public Employees Police and Fire Fund</u>	<u>Public Employees Correctional Fund</u>	<u>Total</u>
Outside Money Managers–Equities	\$13,746	\$5,629	\$142	\$19,517
Outside Money Managers–Bonds	2,351	959	24	3,334
Minnesota State Board of Investment	486	200	5	691
Richards & Tierney	78	32	1	111
Financial Control Systems	73	30	1	104
Pension Consulting Alliance	<u>11</u>	<u>4</u>	<u>0</u>	<u>15</u>
Total	<u>\$16,745</u>	<u>\$6,854</u>	<u>\$173</u>	<u>\$23,772</u>

Schedule of Payments to Consultants

For the Fiscal Year Ended June 30, 2006 (in thousands, unaudited)

<u>Individual or Firm Name</u>	<u>Nature of Service</u>	<u>Fee Paid</u>
Benefacts, Inc.	Management	\$128
Evalumed	Medical Services	99
Mercer Human Resources Consulting	Actuarial	90
Segal Company	Actuarial	62
Van Wagner Consulting Services	Medical Services	30
Ciber Inc.	System Development	20
Independent Medical Consultants (6)	Medical Services	16
US Bank - St. Paul	Management	8
Berwyn Group	Management	4
Klausner, Robert D. PA	Management	3
Hanson, Mirja P.	Management	1
Avenet	System Development	1
Seminar Speakers (2)	Management	1
Accurint	Management	1
State of Minnesota —		
Attorney General	Legal	\$108
Department of Health	Medical Services	78
Administrative Law Judge	Medical Services	40
Office of Enterprise Technology	Management	<u>9</u>
Total		<u>\$699</u>

Schedule of Administrative Expenses

For the Fiscal Year Ended June 30, 2006 (in thousands, unaudited)

PERSONAL SERVICES:

Staff Salaries	\$5,894	
Part-Time, Seasonal Labor	139	
Other Benefits	<u>37</u>	
Total Personal Services		\$6,070

PROFESSIONAL SERVICES:

Actuarial	\$ 152	
Legal	108	
Management Consultants	155	
Medical Evaluations	263	
System Development	<u>21</u>	
Total Professional Services		699

COMMUNICATIONS:

Printing & Advertising	\$ 153	
Mail & Telephone Services	<u>657</u>	
Total Communication		810

OFFICE BUILDING & MAINTENANCE:

Building	\$ 486	
Depreciation—Building	294	
Bond Interest	<u>623</u>	
Total Building and Maintenance		1,403

OTHER:

Operating Costs	\$ 35	
Travel	84	
Employee Development	90	
Indirect Costs	149	
Depreciation—Equipment	197	
Equipment Maintenance	39	
Supplies and Materials	<u>476</u>	
Total Other		<u>1,070</u>

Total Administrative Expense

\$10,052

ALLOCATION OF ADMINISTRATIVE EXPENSE:

Defined Benefit Plans

Public Employees Retirement Fund	\$ 9,029
Public Employees Police and Fire Fund	707
Public Employees Correctional Fund	186

Defined Contribution Plans

Public Employees Defined Contribution Plan	<u>130</u>
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Total Administrative Expenses

\$10,052

Investment Section

Investment Report

Investment Results

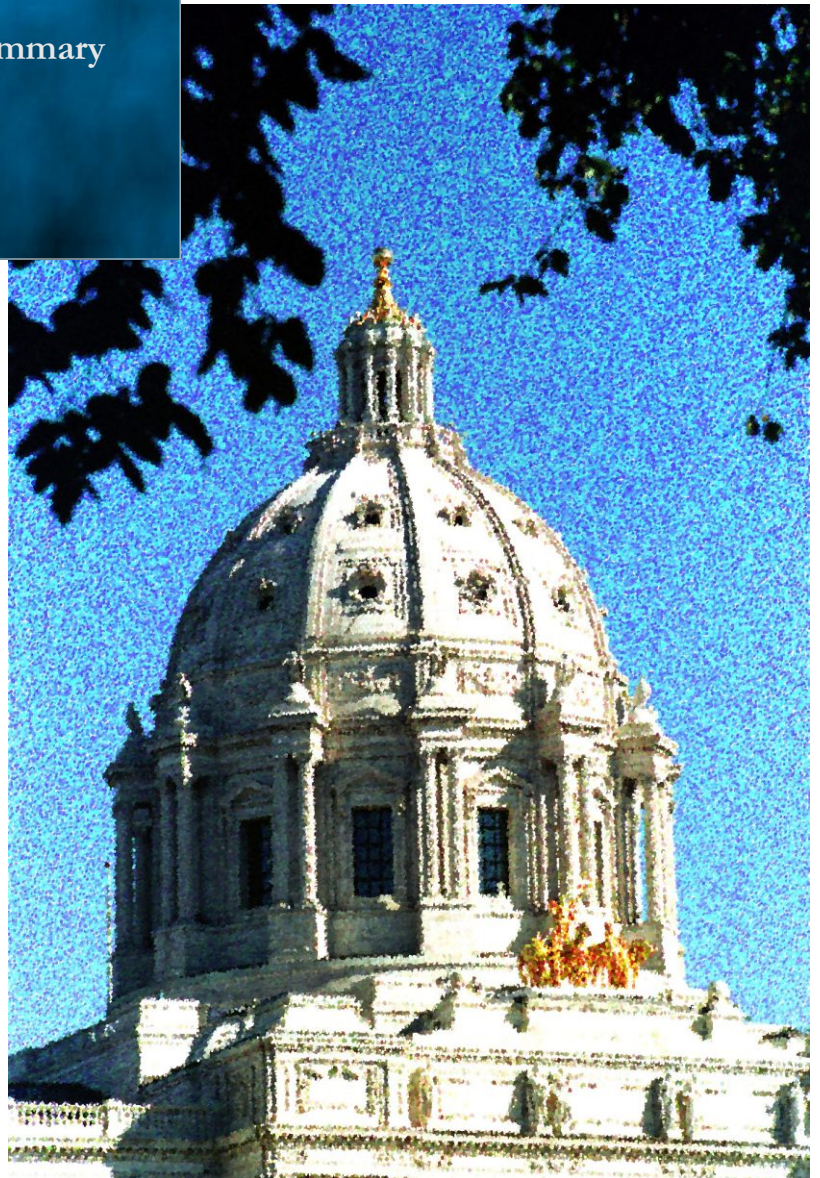
Asset Allocation

List of Largest
Assets Held

Investment Summary
at Cost

Investment Summary
at Fair Value

Faire Value of
Investments



Investment Report



MINNESOTA STATE BOARD OF INVESTMENT



Board Members:

Governor
Tim Pawlenty

State Auditor
Pat Anderson

Secretary of State
Mary Kiffmeyer

Attorney General
Mike Hatch

Executive Director:

Howard J. Bicker

60 Empire Drive
Suite 355
St. Paul, MN 55103
(651) 296-3328
FAX (651) 296-9572
E-mail:
minn.sbi@state.mn.us
www.sbi.state.mn.us

An Equal Opportunity
Employer

Investment Authority

The assets of the Public Employees Retirement Association are invested under the direction and authority of the State Board of Investment (SBI) in accordance with Minnesota Statutes, Chapters 11A and 356A. The SBI is made up of the State Governor, State Auditor, Secretary of State, and the Attorney General. The Legislature has also established a 17-member Investment Advisory Council to advise the SBI and its staff on investment-related matters. The Executive Director of PERA is a permanent member of this Council.

Investment Policy

Investment policy states that the SBI will operate within standard investment practices of the prudent person. The SBI is to "exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom." The SBI is authorized to own government obligations, corporate obligations, various short-term obligations, corporate stocks, venture capital interests, mutual funds, resource investments, and real estate interests subject to specific parameters. Above all, pension fund assets are to be invested for the exclusive benefit of the members of the fund.

Investment Objectives

Pension fund assets are managed and accounted for separately in the Basic Funds and the Post Fund. The SBI reviews the performance of all the assets in the Combined Funds.

Pension contributions of PERA members are invested in the Basic Funds along with pension contributions from active members in seven other statewide retirement funds. PERA does not own any underlying assets, but instead owns a participation in these pooled Basic Funds. Because these assets normally accumulate in the Basic Funds for thirty to forty years, SBI's objective is to take advantage of the long investment time horizon offered by equities and alternative assets in order to meet its actuarial return target of 8.5 percent per year and ensure that sufficient funds are available to finance promised benefits at the time of retirement.

When a member retires, PERA transfers assets on behalf of the member to the Minnesota Post Retirement Investment Fund (MPRIF). The assets of the Post Fund, which include the eight plans which participate in the Basic Funds as well as the Legislative and Survivors Retirement Fund, finance monthly annuity payments paid to retirees. Investments in the Post Fund are generally invested a bit more conservatively, but still invest heavily in equities to take advantage of the 15-20 year time horizon associated with the length of time a typical retiree can be expected to draw benefits. The actuarial return target for the Post Fund is 6 percent.

The Combined Funds, while not existing under statute, represents the assets of both the active and retired public employees who participate in the defined benefit plans administered by PERA, the Minnesota

State Retirement System, and the Teachers Retirement Association. They are used by the SBI for comparison purposes only, since most public pension plans do not separate the assets of their active employees and retirees. The long term objectives of the Combined Funds are:

- (1) provide returns that are 3-5 percentage points greater than inflation over the latest 20-year period;
- (2) outperform a composite market index weighted in a manner that reflects the actual asset mix of the Combined funds over the latest 10-year period; and
- (3) provide returns that are ranked in the top half of a universe of public and corporate plans over the latest 10-year period.

The Combined Funds returned 6.7 percentage points above the CPI over the last 20 years. The Combined Funds outperformed the Composite Index by 0.3 percentage points over the past 10 years, and ranked in the 49th percentile, above the median fund in the Trust Universe Comparison Service.

Investment Presentation

Investment returns were prepared using a time-weighted rate of return methodology based upon fair market values, net of investment expenses.

A handwritten signature in black ink that reads "Howard Bicker".

Howard Bicker
Executive Director
State Board of Investment

Investment Results

FUND PERFORMANCE

Fund	Rates of Return (Annualized)			
	FY 2006	3-Year	5-Year	10-Year
Basic Funds (Active Accounts)	12.6%	13.4%	6.4%	8.8%
Basic Composite Market Index	12.6	13.2	6.4	8.5
MPRIF Fund (Retiree Accounts)	12.0%	12.9%	6.4%	8.3%
MPRIF Composite Market Index	11.8	12.5	6.4	8.0
Combined Funds (Active/Retiree)*	12.3%	13.2%	6.4%	8.6%
Combined Composite Market Index	12.2	12.9	6.4	8.3

* Percentages are net of all management fees. Amounts include Basic and MPRIF funds.

Note: All composite indices are composed of the following market indicators, weighted according to asset allocation:

Domestic Stocks—Russell 3000 measures the performance of the largest 3,000 US companies;

Int'l. Stocks—Morgan Stanley Capital International All Country World Index measures equity market performance in the global developed and emerging markets. There are 48 countries included in this index. It does not include the United States;

Bonds—Lehman Bros. Aggregate Bond Index reflects the performance of the broad bond market for investment grade (Baa or higher) bonds, US Treasury and agency securities, and mortgage obligations with maturities greater than one year.

INVESTMENT RETURNS BY SECTOR

Performance of Asset Pools (Net of Fees)

	Rates of Return (Annualized)			
	FY 2006	3-Year	5-Year	10-Year
Domestic Stock Pool	8.9%	12.5%	3.2%	8.0%
Russell 3000	9.6	12.6	3.5	8.0
Bond Pool	-0.2%	2.7%	5.4%	6.6%
Lehman Agg.	-0.8	2.1	5.0	6.2
International Stock Pool	28.2%	24.7%	11.1%	7.3%
MSCI ACWI Free ex US (net)	27.9	25.3	11.2	6.4
Alternative Investments	43.7%	28.7%	16.2%	17.2%
Real Estate Pool (Equity Emphasis)	22.1%	17.5%	12.3%	13.9%
Private Equity Pool (Equity Emphasis)	39.3%	30.0%	14.4%	17.4%
Resource Pool (Equity Emphasis)	88.2%	57.1%	31.6%	23.9%
Yield Oriented Pool (Debt Emphasis)	61.5%	28.8%	19.4%	16.7%

Note: Investment returns were calculated using a time-weighted rate of return.

Asset Allocation

ASSET ALLOCATION (AT JUNE 30, 2006)*

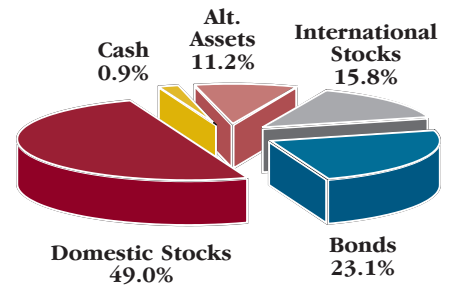
Asset allocation will have a dominant effect on returns. SBI has focused considerable attention on the selection of the appropriate long-term asset allocation policy for the Basic and MPRIF funds.

Investment Type	Basic		MPRIF	
	Actual Asset Mix	Long-term Policy Target	Actual Asset Mix	Long-term Policy Target
Domestic Stocks	49.0%	45.0%	47.2%	45.0%
International Stocks	15.8	15.0	15.3	15.0
Bonds	23.1	24.0	23.7	25.0
Alternative Assets**	11.2	15.0	8.7	12.0
Cash	0.9	1.0	5.1	3.0
Total	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%*</u>

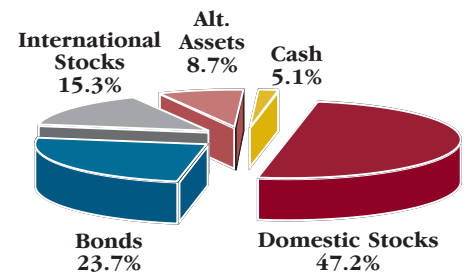
* Source: Minnesota State Board of Investment (SBI) FY2006 Annual Report.

** Alternative assets include real estate, venture capital and resource (oil, gas, etc.) funds.

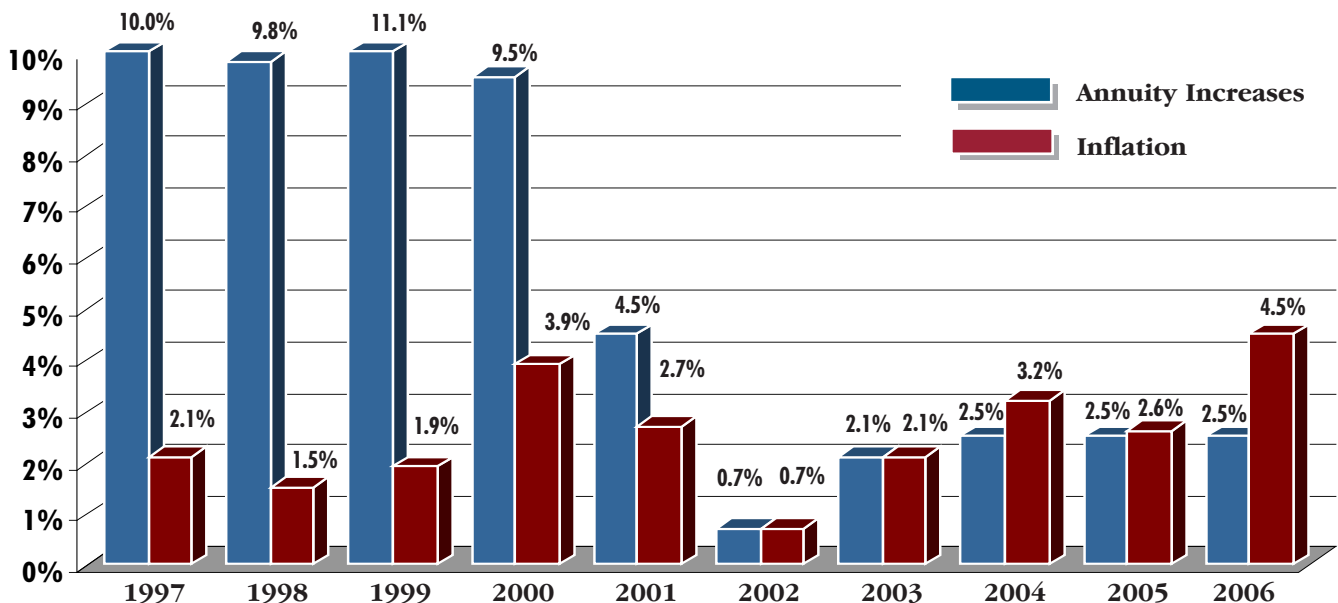
BASIC FUNDS



POST RETIREMENT INVESTMENT FUND



ANNUITY INCREASE VS. INFLATION (LAST 10 YEARS)



Increases awarded to PERA retirees under the MPRIF greatly outpaced inflation during the 1990s but fell slightly short over the last three years. Increases and inflation are both measured as of June 30, the end of PERA's fiscal year.

List of Largest Assets Held

June 30, 2006

COMPOSITE OF TOP TEN EQUITY HOLDINGS (BY FAIR VALUE)

Security	Fair Value (In thousands)	% of Portfolio
Exxon Mobil Corp.	\$207,696	1.24%
General Electric Co.	176,395	1.05
Citigroup Inc.	165,027	0.99
Bank America Corp.	149,243	0.89
Microsoft Corp.	127,715	0.76
Procter & Gamble Co.	100,811	0.60
Pfizer Inc.	98,367	0.59
Johnson & Johnson	97,836	0.58
Aetna	93,610	0.56
Prime Property	86,897	0.52

COMPOSITE OF TOP TEN BOND HOLDINGS (BY FAIR VALUE)

Security	Coupon	Rating	Fair Value (In thousands)	% of Portfolio
FNMA	5.000%	AAA	\$112,932	0.67%
United States Treasury Notes	4.875	AAA	88,646	0.53
United States Treasury Notes	3.750	AAA	46,084	0.28
United States Treasury Bonds	8.125	AAA	43,789	0.26
FNMA	6.500	AAA	43,414	0.26
FNMA	4.500	AAA	43,223	0.26
FNMA	6.000	AAA	40,644	0.24
United States Treasury Notes	4.375	AAA	36,112	0.22
United States Treasury Notes	3.125	AAA	35,026	0.21
United States Treasury Bonds	6.000	AAA	33,776	0.20

PERA's assets are commingled in various pooled investment accounts administered by the State Board of Investment. PERA does not own specific values of the underlying assets. The percentages shown are those of the total pooled accounts. Information on investment activity, a listing of specific investments owned by the pooled accounts and a schedule of fees and commissions can be obtained from the Minnesota State Board of Investment.

Investment Summary at Cost

For the Fiscal Year Ended June 30, 2006 (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

Pooled Accounts	Cost June 30, 2005	Total Acquisitions	Total Dispositions	Cost June 30, 2006
Equity in MPRIF	\$ 6,525,795	\$ 993,502	\$ 728,151	\$ 6,791,146
External Domestic Equity	1,914,314	325,853	131,519	2,108,648
Passive Domestic Equity	782,689	128,322	91,378	819,633
Global Equity	764,713	159,233	90,843	833,103
Fixed Income	1,278,884	208,047	17,289	1,469,642
SBI Alternative Assets	487,360	187,902	106,793	568,469
Short-term Cash Equivalents	67,969	730,473	738,122	60,320
Total Pooled Accounts	<u>\$11,821,724</u>	<u>\$2,733,332</u>	<u>\$1,904,095</u>	<u>\$12,650,961</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Pooled Accounts	Cost June 30, 2005	Total Acquisitions	Total Dispositions	Cost June 30, 2006
Equity in MPRIF	\$ 2,299,007	\$ 317,088	\$ 235,583	\$ 2,380,512
External Domestic Equity	949,193	103,669	76,382	976,480
Passive Domestic Equity	380,665	56,329	48,115	388,879
Global Equity	313,924	116,276	46,108	384,092
Fixed Income	595,707	94,035	17,237	672,505
SBI Alternative Assets	227,909	81,602	49,812	259,699
Short-term Cash Equivalents	34,285	235,251	240,333	29,203
Total Pooled Accounts	<u>\$ 4,800,690</u>	<u>\$1,004,250</u>	<u>\$ 713,570</u>	<u>\$ 5,091,370</u>

PUBLIC EMPLOYEES CORRECTIONAL FUND

Pooled Accounts	Cost June 30, 2005	Total Acquisitions	Total Dispositions	Cost June 30, 2006
Equity in MPRIF	\$ 3,736	\$ 2,428	\$ 515	\$ 5,649
External Domestic Equity	30,949	11,190	1,856	40,283
Passive Domestic Equity	14,033	4,235	1,139	17,129
Global Equity	12,768	5,356	1,524	16,600
Fixed Income	22,748	7,315	0	30,063
SBI Alternative Assets	8,696	5,124	2,006	11,814
Short-term Cash Equivalents	2,538	37,949	37,851	2,636
Total Pooled Accounts	<u>\$ 95,468</u>	<u>\$ 73,597</u>	<u>\$ 44,891</u>	<u>\$ 124,174</u>

Investment Summary at Fair Value

For the Fiscal Year Ended June 30, 2006 (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

Pooled Accounts	Fair Value June 30, 2005	Fair Value June 30, 2006	Percent of Portfolio
Equity in MPRIF	\$ 5,357,473	\$ 5,747,712	49%
External Domestic Equity	1,852,747	2,037,040	17
Passive Domestic Equity	870,146	926,112	8
Global Equity	799,898	949,840	8
Fixed Income	1,262,538	1,404,243	12
SBI Alternative Assets	517,345	672,690	5
Short-term Cash Equivalent	67,969	60,320	1
Total Pooled Accounts	<u>\$10,728,116</u>	<u>\$11,797,957</u>	<u>100%</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Pooled Accounts	Fair Value June 30, 2005	Fair Value June 30, 2006	Percent of Portfolio
Equity in MPRIF	\$ 1,884,288	\$ 2,015,350	42%
External Domestic Equity	860,478	929,601	20
Passive Domestic Equity	404,754	423,156	9
Global Equity	371,699	433,768	9
Fixed Income	586,344	640,638	13
SBI Alternative Assets	241,416	307,336	6
Short-term Cash Equivalents	34,285	29,203	1
Total Pooled Accounts	<u>\$4,383,264</u>	<u>\$ 4,779,052</u>	<u>100%</u>

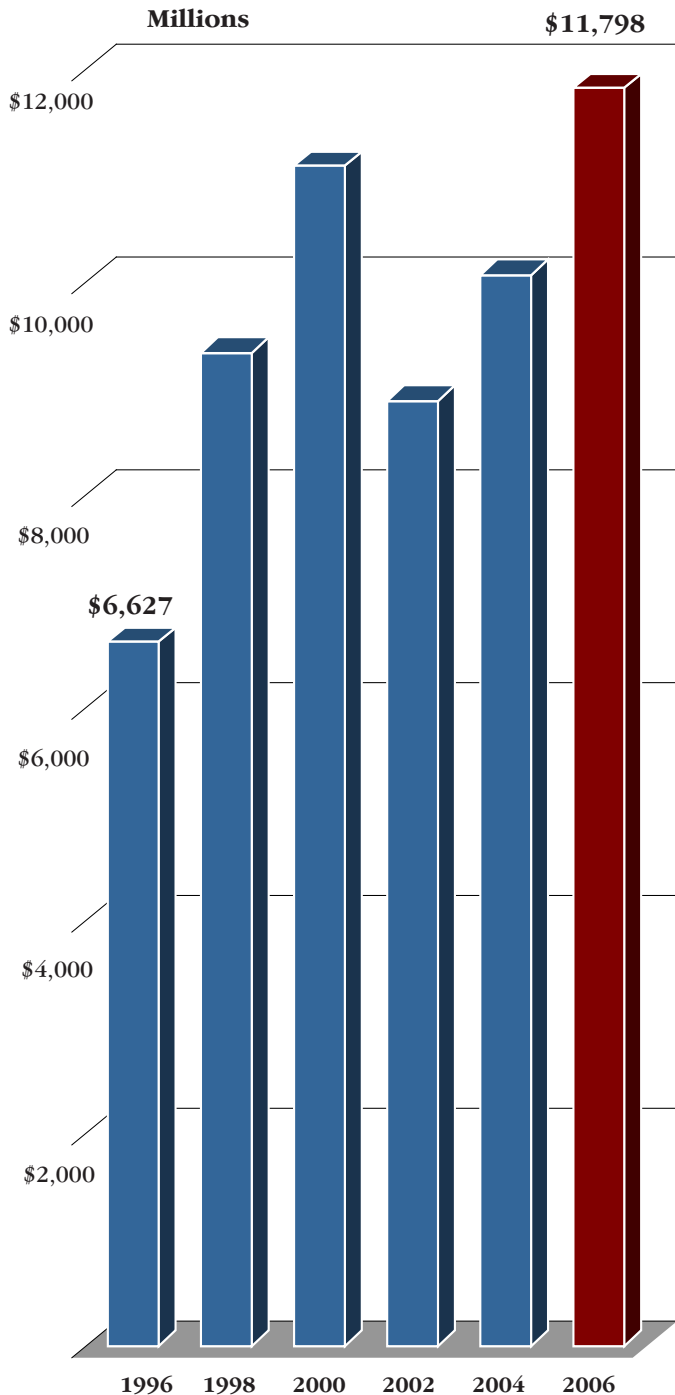
PUBLIC EMPLOYEES CORRECTIONAL FUND

Pooled Accounts	Fair Value June 30, 2005	Fair Value June 30, 2006	Percent of Portfolio
Equity in MPRIF	\$ 3,033	\$ 4,804	4%
External Domestic Equity	33,014	41,870	32
Passive Domestic Equity	15,503	19,031	14
Global Equity	14,252	19,521	15
Fixed Income	22,497	28,864	22
SBI Alternative Assets	9,217	13,823	11
Short-term Cash Equivalents	2,538	2,636	2
Total Pooled Accounts	<u>\$ 100,054</u>	<u>\$ 130,549</u>	<u>100%</u>

Fair Value of Investments

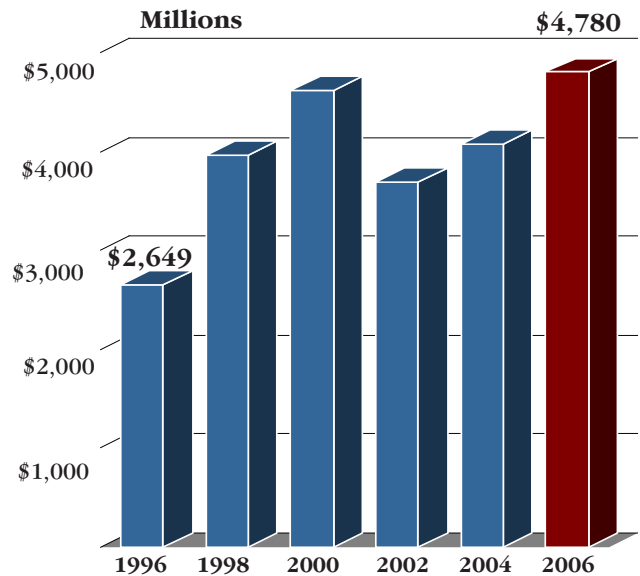
Last 10 Years

PUBLIC EMPLOYEES RETIREMENT FUND*



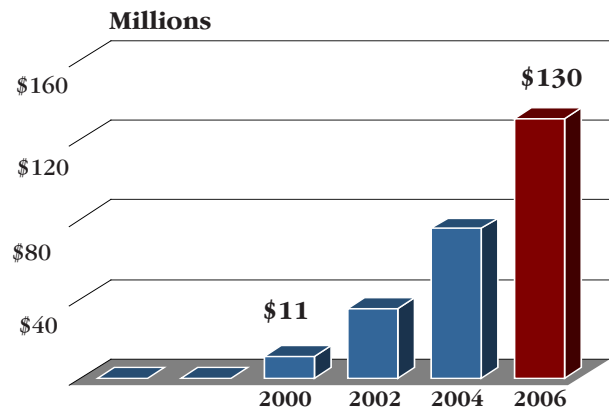
Over the past 10 years, the value of investments of the Public Employees Retirement Fund has grown from \$6.6 billion to \$11.8 billion.

POLICE AND FIRE FUND*



Fair value of Police and Fire Fund investments increased from \$2.6 billion in 1996 to \$4.8 billion in 2006.

PUBLIC EMPLOYEES CORRECTIONAL FUND*



Created in 1999, the Public Employees Correctional Fund now has investments valued at \$130 million.

* Charts indicate value of both Active and MPRIF holdings.

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Actuarial Section

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Schedule of Active Member Valuation Data

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Determination of Contribution Sufficiency

Schedule of Changes in Unfunded
Actuarial Accrued Liabilities



Actuary's Certification Letter



THE SEGAL COMPANY
6300 S. Syracuse Way, Suite 750 Englewood, CO 80111-7302
T 303.714.9900 F 303.714.9990 www.segalco.com

November 10, 2006

Board of Trustees
Public Employees Retirement
Association of Minnesota
60 Empire Drive, Suite 200
St. Paul, Minnesota 55103-2088

Members of the Board:

We have completed our annual actuarial valuation of the Public Employees Retirement Association of Minnesota to test how well the fundamental financing objectives are being achieved and to determine the actuarial status of the Public Employees Retirement Fund (PERF), the Public Employees Police and Fire Fund (PEPFF), and the Public Employees Correctional Fund (PECF) as of June 30, 2006.

The fundamental financing objectives of the funds are to establish contribution rates which, when expressed as a percentage of active member payroll, will remain approximately level from generation to generation and meet the required deadline for full funding.

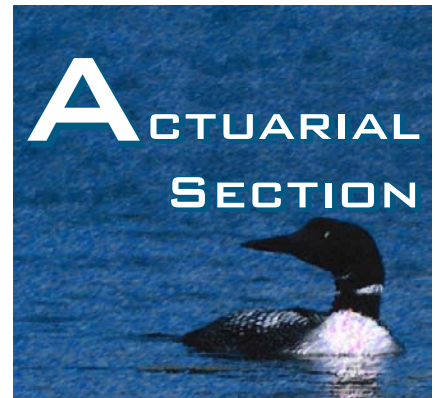
The results of the valuation indicate that the PERF is 74.65% funded, and the contributions are deficient by 1.14% of payroll to meet the target of full funding by 2031. The PEPFF has just fallen below being fully funded, and since surplus assets are not available to offset normal costs, contributions are deficient by 7.07% of payroll to make the plan fully funded by 2020. The PECF is ahead of schedule to be fully funded by 2023.

The actuarial valuation was based upon applicable GASB 25 and statutory provisions and the Standards for Actuarial Work in effect on July 1, 2006. In the aggregate, the basic financial and membership data provided to us by the association office appears reasonable in comparison to last year, and we have relied upon the data as submitted in performing the actuarial valuation and preparing trend data schedules. It is our understanding that the data has subsequently been audited with no significant changes made. We are responsible for providing the numbers for each of the supporting schedules in the Actuary section of PERA's comprehensive annual financial report. We are also responsible for preparing both of the Required Supplementary Information Schedules found in the Financial section of this annual report.

The three valuations were performed by using the actuarial cost methods and actuarial assumptions that are described in a separate table of this report.

Benefits, Compensation and HR Consulting ATLANTA BOSTON CHICAGO DENVER HARTFORD HOUSTON LOS ANGELES MINNEAPOLIS
NEW ORLEANS NEW YORK PHILADELPHIA PHOENIX SAN FRANCISCO SEATTLE TORONTO WASHINGTON, DC

Multinational Group of Actuaries and Consultants AMSTERDAM BARCELONA GENEVA HAMBURG LONDON MELBOURNE MEXICO



The actuarial cost method and the assumptions related to asset valuation, investment return, earnings progression and active member payroll growth are specified by state statute. All other assumptions are based on actual experience with changes recommended by the actuary, adopted by the PERA Board and approved by the Legislative Commission on Pensions and Retirement.

The following table shows the funding percentages for the 2006 valuation. The funding percentage expresses current actuarial assets as a percentage of the actuarial accrued liability determined on the entry age normal cost method.

<u>Fund</u>	<u>Funding Percentage</u>
PERF	74.65%
PEPFF	95.39%
PECF	94.35%

We certify that to the best of our knowledge and belief, this actuarial valuation was performed in accordance with the requirements of Section 356.215, Minnesota Statutes, and the requirements of the Standards for Actuarial Work.

Thomas D. Levy,
FSA, FCIA, MAAA, EA
Senior Vice President
and Chief Actuary

Summary of Actuarial Assumptions and Methods

PUBLIC EMPLOYEES RETIREMENT FUND

Actuarial Cost Method	Entry Age Normal, with costs allocated as a level percentage of payroll. Actuarial gains (losses) reduce (increase) the unfunded actuarial accrued liability.*
Actuarial Assumptions	
1. Mortality	
a. Active	1983 GAM Mortality Table set back 8 years for males and 7 years for females.†††
b. Retired	1983 GAM Mortality Table set back 1 year.††††
c. Disabled	1965 Railroad Workers Select Mortality Table through age 54. 1983 GAM Table set back 1 year after age 64. Graded rates from age 55 to 64.†††
2. Retirement Age	Age related table from age 55 to 70.††††
3. Disability	Graded rates.†††
4. Termination	Select & Ultimate Table with select rates applicable to the first 3 years of employment.††††
5. Allowance for Expenses	Prior year expenses expressed as a percentage of prior year payroll.***
6. Earnings Progression	Select & Ultimate Table incorporating a 5.0% base inflation assumption.††††
7. Active Member Payroll Growth	6.0% per year.**
8. Investment Return	8.5% compounded annually, pre-retirement.*** 6.0% compounded annually, post-retirement.†
Asset Valuation Method	Market value smoothed over 5 years.†††

PUBLIC EMPLOYEES POLICE & FIRE FUND

Actuarial Cost Method	Entry Age Normal, with costs allocated as a level percentage of payroll. Actuarial gains (losses) reduce (increase) the unfunded actuarial accrued liability. *
Actuarial Assumptions	
1. Mortality	
a. Active	1983 GAM Mortality Table set back 6 years.‡
b. Retired	1983 GAM Mortality Table set back 1 year.‡
c. Disabled	1965 Railroad Workers Select Mortality Table through age 40. 1983 GAM set back 1 year after age 59. Graded rates from age 41 to 59.‡
2. Retirement Age	Age related table from age 50 to 70.‡
3. Disability	Graded rates.‡
4. Termination	Select & Ultimate Table with select rates applicable to the first 3 years of employment.‡
5. Allowance for Expenses	Prior year expenses expressed as a percentage of prior year payroll.***
6. Earnings Progression	Age related table which incorporates a 5% base inflation assumption.†
7. Active Member Payroll Growth	6.0% per year.†
8. Investment Return	8.5% compounded annually, pre-retirement.*** 6.0% compounded annually, post-retirement.†
Asset Valuation Method	Market value smoothed over 5 years.†††

Adoption Dates

* 1960 *** 1989 †† 1999 †††† 2002
 ** 1984 † 1997 ††† 2000 ‡ 2003

PUBLIC EMPLOYEES CORRECTIONAL FUND

Actuarial Cost Method Entry Age Normal, with costs allocated as a level percentage of payroll. Actuarial gains (losses) reduce (increase) the unfunded actuarial accrued liability.*

Actuarial Assumptions

1. Mortality	
a. Active	1983 GAM Mortality Table set back 1 year for males.††
b. Retired	1983 GAM Mortality Table set forward 2 years for retirees.††
c. Disabled	Graded rates.††
2. Retirement Age	Age related table from age 50 to 70.††
3. Disability	Graded rates.††
4. Termination	Graded rates.††
5. Allowance for Expenses	Prior year expenses expressed as a percentage of prior year payroll.††
6. Earnings Progression	Age related table incorporating a 5.0% base inflation assumption.†††
7. Active Member Payroll Growth	6.0% per year.††
8. Investment Return	8.5% compounded annually, preretirement.†† 6.0% compounded annually, post-retirement.††
Asset Valuation Method	Market value smoothed over 5 years.†††

Adoption Dates

* 1960 †† 1999 ††† 2000

OTHER ASSUMPTIONS

Salary Increases

PERF uses Select Table for first 10 years— $[0.3\% \times (10-T)]$ where T is completed years of service—added to the ultimate rate.

Separation

PERF uses Select Table for first three years.

<u>Year</u>	<u>Percent</u>	<u>Year</u>	<u>Percent</u>	<u>Year</u>	<u>Percent</u>
1	40%	2	15%	3	10%

PEPFF also uses Select Table for first three years.

<u>Year</u>	<u>Percent</u>	<u>Year</u>	<u>Percent</u>	<u>Year</u>	<u>Percent</u>
1	3.50%	2	3.50%	3	3.50%

Family Composition

85% of males and 65% of female members are married. Female is four years younger than male.

Special Consideration

Married members are assumed to elect the following forms of annuities:

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Gender</u>	<u>Benefit Option (% chosen)</u>				
	<u>Single-life</u>	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100%</u>
Male	30%	10%	20%	10%	30%
Female	70	5	5	5	15

PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Gender</u>	<u>Benefit Option (% chosen)</u>				
	<u>Single-life</u>	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100%</u>
Male	15%		40%		45%
Female	70		15		15

PUBLIC EMPLOYEES CORRECTIONAL FUND

<u>Gender</u>	<u>Benefit Option (% chosen)</u>				
	<u>Single-life</u>	<u>25%</u>	<u>50%</u>	<u>75%</u>	<u>100%</u>
Male	50%		25%		25%
Female	90		5		5

Actuarial Tables

Sample Annual Rates per 10,000 Employees, June 30, 2005

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Age</u>	<u>Mortality</u>		<u>Disability</u>		<u>Termination</u>		<u>Salary Increase</u>
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	
20	3	1	1	1	840	840	6.40%
25	3	2	1	1	690	690	6.40%
30	4	2	2	2	540	540	6.20%
35	5	3	5	4	390	420	6.00%
40	7	4	9	6	300	350	5.80%
45	10	6	14	9	250	300	5.60%
50	15	8	23	16	200	250	5.40%
55	28	14	49	26	-	-	5.20%
60	48	21	82	46	-	-	5.00%
65	71	35	-	-	-	-	5.00%
70	111	58	-	-	-	-	5.00%

PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Age</u>	<u>Mortality</u>		<u>Disability</u>		<u>Termination</u>		<u>Salary Increase</u>
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	
20	3	1	11	11	601	601	11.50%
25	4	2	13	13	324	324	9.50%
30	4	2	16	16	190	190	8.00%
35	6	3	19	19	146	146	7.00%
40	8	4	29	29	126	126	6.00%
45	11	6	54	54	91	91	5.50%
50	19	9	104	104	50	50	5.25%
55	35	15	203	203	11	11	5.25%
60	57	23	-	-	-	-	5.25%
65	84	38	-	-	-	-	5.25%
70	139	64	-	-	-	-	5.25%

PUBLIC EMPLOYEES CORRECTIONAL PLAN

<u>Age</u>	<u>Mortality</u>		<u>Disability</u>		<u>Termination</u>		<u>Salary Increase</u>
	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	<u>Male</u>	<u>Female</u>	
20	4	2	4	4	2,400	1,600	7.75%
25	4	3	6	6	1,470	1,420	7.00%
30	6	3	8	8	910	1,350	7.00%
35	8	5	11	11	600	1,290	7.00%
40	11	7	18	18	440	1,040	6.50%
45	19	10	29	29	340	640	5.75%
50	35	16	50	50	240	470	5.50%
55	57	25	88	88	140	330	5.25%
60	84	42	141	141	-	-	5.25%
65	129	71	-	-	-	-	5.25%
70	248	124	-	-	-	-	5.25%

Determination of Actuarial Value of Assets

As of June 30, 2006 (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

Fair value of assets available for benefits(a)				\$ 11,785,556
Post Fund adjustment* (b)				\$ 1,043,434
Calculation of unrecognized return	Original Amount	% Not Recognized	Unrecognized Return	
Year ended June 30, 2006	\$ 211,694	80%	\$169,355	
Year ended June 30, 2005	131,918	60%	79,151	
Year ended June 30, 2004	346,876	40%	138,751	
Year ended June 30, 2003	(267,368)	20%	(53,474)	
Total unrecognized return (c)				<u>\$ 333,783</u>
Actuarial value of assets (a+b-c)				<u>\$12,495,207</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Fair value of assets available for benefits(a)				\$ 4,802,255
Post Fund adjustment* (b)				\$ 365,163
Calculation of unrecognized return	Original Amount	% Not Recognized	Unrecognized Return	
Year ended June 30, 2006	\$93,192	80%	\$ 74,554	
Year ended June 30, 2005	54,936	60%	32,962	
Year ended June 30, 2004	181,200	40%	72,480	
Year ended June 30, 2003	(152,646)	20%	(30,529)	
Total unrecognized return (c)				<u>\$ 149,467</u>
Actuarial value of assets (a+b-c)				<u>\$ 5,017,951</u>

PUBLIC EMPLOYEES CORRECTIONAL PLAN

Fair value of assets available for benefits(a)				\$ 130,851
Post Fund adjustment* (b)				\$ 845
Calculation of unrecognized return	Original Amount	% Not Recognized	Unrecognized Return	
Year ended June 30, 2006	\$ 3,875	80%	\$ 3,100	
Year ended June 30, 2005	1,967	60%	1,180	
Year ended June 30, 2004	5,906	40%	2,362	
Year ended June 30, 2003	(3,608)	20%	(722)	
Total unrecognized return (c)				<u>\$ 5,920</u>
Actuarial value of assets (a+b-c)				<u>\$ 125,776</u>

* The actual market value of the Post Fund is not used for funding purposes because any deficiencies/sufficiencies in the fund are accounted for separately. Sufficiencies are given out in benefit increases and deficiencies are expected to be recovered from future excess earnings of the Post Fund. When determining the actuarial value of assets, the full Post Fund required reserve amount is used.

Solvency Test

Last Six Years (in Thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

Valuation Date	Actuarial Accrued Liability For:			Valuation Assets	Portion of Accrued Liabilities Covered by Valuation Assets		
	Active Member Contribution (1)	Current Retirees and Beneficiaries(2)	Active Members (Employer Financed) Portion (3)		1	2	3
6-30-01	\$1,459,256	\$6,354,527	\$4,291,554	\$10,527,270	100%	100%	63.2%
6-30-02	1,572,688	6,946,877	4,438,540	11,017,414	100	100	56.3
6-30-03	1,734,500	7,168,247	4,873,451	11,195,902	100	100	47.1
6-30-04	1,603,208	7,959,035	5,397,222	11,477,961	100	100	35.5
6-30-05	1,721,748	8,434,791	5,736,016	11,843,936	100	100	29.4
6-30-06	1,841,423	8,867,326	6,029,008	12,495,207	100	100	29.6

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Valuation Date	Actuarial Accrued Liability For:			Valuation Assets	Portion of Accrued Liabilities Covered by Valuation Assets		
	Active Member Contribution (1)	Current Retirees and Beneficiaries(2)	Active Members (Employer Financed) Portion (3)		1	2	3
6-30-01	\$ 323,110	\$2,225,362	\$1,163,188	\$4,510,134	100%	100%	168.6%
6-30-02	328,635	2,357,578	1,200,098	4,707,255	100	100	168.4
6-30-03	343,817	2,605,846	1,441,290	4,713,606	100	100	122.4
6-30-04	342,112	2,725,088	1,624,990	4,746,834	100	100	103.4
6-30-05	359,984	2,864,556	1,731,800	4,814,961	100	100	91.8
6-30-06	382,955	2,999,598	1,878,011	5,017,951	100	100	87.1

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

Valuation Date	Actuarial Accrued Liability For:			Valuation Assets	Portion of Accrued Liabilities Covered by Valuation Assets		
	Active Member Contribution (1)	Current Retirees and Beneficiaries(2)	Active Members (Employer Financed) Portion (3)		1	2	3
6-30-01	\$ 9,241	\$ 2,726	\$ 13,486	\$ 25,014	100%	100%	96.7%
6-30-02	14,757	6,734	20,653	40,105	100	100	90.1
6-30-03	20,661	12,321	29,560	56,487	100	100	79.5
6-30-04	23,610	17,241	44,842	75,918	100	100	78.2
6-30-05	28,635	23,141	57,150	98,156	100	100	81.2
6-30-06	33,774	30,695	68,837	125,776	100	100	89.1

Schedule of Active Members Valuation Data

Last Six Years

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Valuation Date</u>	<u>Number</u>	<u>Valuation Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
6-30-01	138,759	\$3,614,000,000	\$26,042	3.3%
6-30-02	137,817	3,728,000,000	27,050	3.9
6-30-03	140,066	3,978,000,000	28,398	5.0
6-30-04	138,164	4,220,503,000	30,547	7.6
6-30-05	142,303	4,530,883,000	31,840	4.2
6-30-06	144,244	4,703,895,000	32,611	2.4

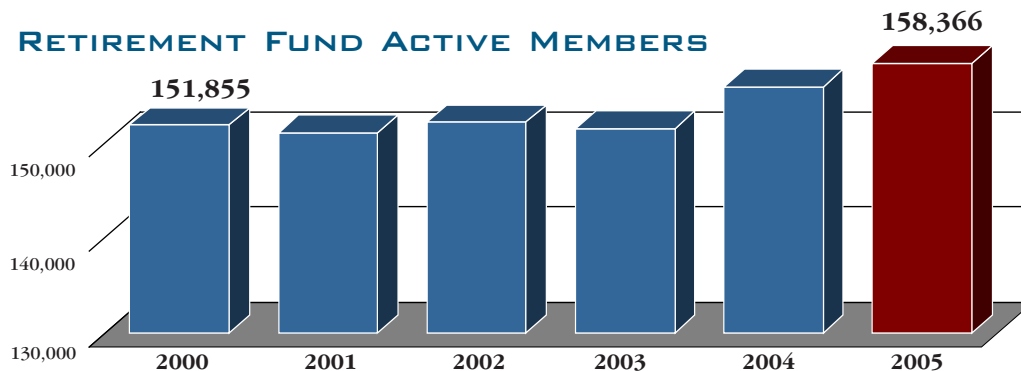
PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Valuation Date</u>	<u>Number</u>	<u>Valuation Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
6-30-01	9,858	\$ 497,070,000	\$50,423	4.4%
6-30-02	9,940	508,550,000	51,162	1.5
6-30-03	9,948	546,533,000	54,939	7.4
6-30-04	10,055	593,949,000	59,070	7.5
6-30-05	10,235	625,807,000	61,144	3.5
6-30-06	10,591	668,088,000	63,081	3.2

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

<u>Valuation Date</u>	<u>Number</u>	<u>Valuation Payroll</u>	<u>Annual Average Pay</u>	<u>% Increase in Average Pay</u>
6-30-01	3,238	\$ 94,737,000	\$29,258	6.5%
6-30-02	3,270	100,801,000	30,826	5.4
6-30-03	3,155	109,456,000	34,693	12.5
6-30-04	3,251	120,511,000	37,069	6.8
6-30-05	3,352	129,231,000	38,554	4.0
6-30-06	3,531	141,083,000	39,956	3.6

RETIREMENT FUND ACTIVE MEMBERS



The number of active employees participating in PERA's three defined benefit plans has increased a total of 4.3 percent during the past six fiscal years.

Schedule of Retirees and Beneficiaries

Last Six Years

PUBLIC EMPLOYEES RETIREMENT FUND

Year Ended	Added to Rolls		Removed from Rolls		Year-End Total		% Change in Annual Allowances	Average Annual Allowances
	Number Added	Annual Allowances*	Number Removed	Annual Allowances*	Number	Annual Allowances		
6-30-01	3,760		1,693		49,414	\$598,709,000	11.1%	\$12,116
6-30-02	3,428		1,964		50,878	629,052,000	5.1	12,364
6-30-03	3,533		1,848		52,563	642,269,000	2.1	12,219
6-30-04	4,060		2,003		54,620	690,178,000	7.5	12,636
6-30-05	3,868	\$32,856,000	1,838	\$2,063,000	56,650	720,971,000	4.5	12,727
6-30-06	4,317	36,537,000	1,889	2,176,000	59,078	755,332,000	4.8	12,785

PUBLIC EMPLOYEES POLICE AND FIRE FUND

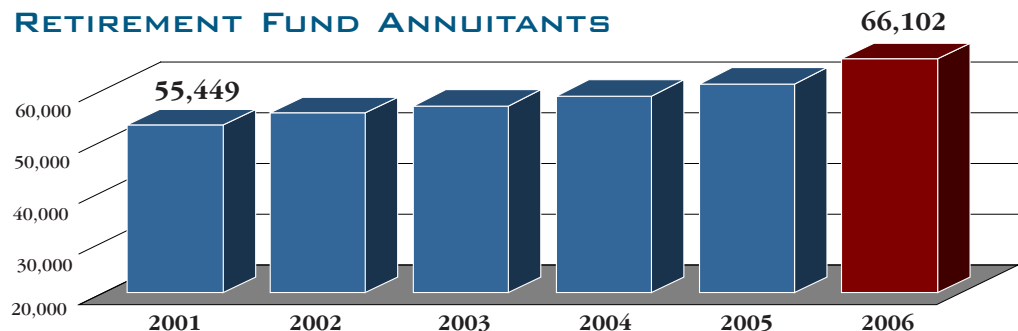
Year Ended	Added to Rolls		Removed from Rolls		Year-End Total		% Change in Annual Allowances	Average Annual Allowances
	Number Added	Annual Allowances*	Number Removed	Annual Allowances*	Number	Annual Allowances		
6-30-01	505		185		5,998	\$203,033,000	13.4%	\$33,850
6-30-02	368		395		5,971	218,719,000	7.7	36,630
6-30-03	406		169		6,208	229,405,000	4.9	36,953
6-30-04	406		183		6,431	243,458,000	6.1	37,857
6-30-05	394	\$10,165,000	210	\$574,000	6,615	253,049,000	3.9	38,254
6-30-06	393	13,535,000	207	632,000	6,801	265,952,000	5.1	39,105

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

Year Ended	Added to Rolls		Removed from Rolls		Year-End Total		% Change in Annual Allowances	Average Annual Allowances
	Number Added	Annual Allowances*	Number Removed	Annual Allowances*	Number	Annual Allowances		
6-30-01	25		0		37	\$ 180,000	412.8%	\$ 4,865
6-30-02	27		1		63	377,000	109.6	5,987
6-30-03	43		6		100	621,000	64.8	6,215
6-30-04	40		1		139	911,000	46.0	6,552
6-30-05	43	\$217,000	2	\$1,000	180	1,127,000	23.7	6,261
6-30-06	48	343,000	5	4,000	223	1,466,000	30.1	6,575

* Annual allowances for additions and subtractions unavailable before 6/30/05.

RETIREMENT FUND ANNUITANTS



The number of annuitants from PERA's three defined benefit plans has increased at an annualized rate of 4 percent since 2001.

Determination of Contribution Sufficiency

As of June 30, 2006

PUBLIC EMPLOYEES RETIREMENT FUND*

Statutory Contributions—M.S. Chapter 353	Percent of Payroll	Dollar Amount
Employee contributions	5.63%	\$ 264,931,649
Employer contributions	6.13	288,515,428
Total (a)	11.76%	\$553,447,077
Actuarially Required Contributions—M.S. Chapter 356		
Normal Cost	Retirement	\$ 285,972,932
	Disability	16,494,592
	Death	6,509,642
	Withdrawal	57,081,874
	Total	\$ 366,059,040
Amortization of Supplemental Contribution (UALL)	4.92%	231,431,639
Allowance for Administrative Expenses	0.20%	9,407,790
Total (b)	12.90%	\$606,898,469
Contribution Sufficiency(Deficiency) (a - b)	<u>-1.14%</u>	<u>\$ (53,451,392)</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND*

Statutory Contributions—M.S. Chapter 353	Percent of Payroll	Dollar Amount
Employee contributions	7.40%	\$ 49,438,517
Employer contributions	11.10%	74,157,775
Total (a)	18.50%	\$123,596,292
Actuarially Required Contributions—M.S. Chapter 356		
Normal Cost	Retirement	\$ 112,097,421
	Disability	22,845,505
	Death	4,188,089
	Withdrawal	9,966,693
	Total	\$ 149,097,708
Amortization of Supplemental Contribution (UALL)	3.14%	20,977,965
Allowance for Administrative Expenses	0.11%	734,897
Total (b)	25.57%	\$170,810,570
Contribution Sufficiency(Deficiency) (a - b)	<u>-7.07%</u>	<u>\$ (47,214,278)</u>

PUBLIC EMPLOYEES CORRECTIONAL FUND*

Statutory Contributions—M.S. Chapter 353	Percent of Payroll	Dollar Amount
Employee contributions	5.83%	\$ 8,225,142
Employer contributions	8.75%	12,344,767
Total (a)	14.58%	\$ 20,569,909
Actuarially Required Contributions—M.S. Chapter 356		
Normal Cost	Retirement	\$ 11,410,132
	Disability	2,107,194
	Death	502,487
	Withdrawal	3,114,290
	Total	\$ 17,134,103
Amortization of Supplemental Contribution (UALL)	0.39%	550,224
Allowance for Administrative Expenses	0.14%	197,516
Total (b)	12.68%	\$ 17,881,843
Contribution Sufficiency(Deficiency) (a - b)	<u>1.90%</u>	<u>\$ 2,688,066</u>

* Projected annual payroll for fiscal year beginning July 1, 2006:

PERF — \$4,703,895,104

PEPFF — \$668,088,065

PECF — \$141,083,054

Schedule of Changes in Unfunded Actuarial Accrued Liabilities (UAAL)

For the Fiscal Year Ended June 30, 2006 (in thousands)

	<u>PERF</u>	<u>PEPFF</u>	<u>PECF</u>
A. UAAL at Beginning of Year (7/1/05)	\$4,048,619	\$141,379	\$ 10,770
B. Change Due to Interest Requirements and Current Rate of Funding			
1. Normal Cost and Expenses	352,964	139,385	15,909
2. Contributions	(491,432)	(106,573)	(19,706)
3. Interest on A, B1 and B2	<u>353,249</u>	<u>19,335</u>	<u>1,430</u>
C. Expected UAAL at End of Year (A+B)	\$4,263,400	\$193,526	\$ 8,403
D. Increase (Decrease) Due to Actuarial Losses (Gains) Because of Experience Deviations from Expected			
1. Salary Increases. If there are smaller salary increases than assumed, there is a gain; if larger, a loss.	(146,764)	(29,276)	(1,214)
2. Investment Return. If there is greater investment return than assumed, there is a gain; if less, a loss.	84,874	46,176	(727)
3. MPRIF Mortality. If Post Fund annuitants live longer than assumed, there is a loss; if not as long, a gain.	21,782	(4,091)	173
4. Other Items. Miscellaneous gains and losses resulting from salary increases, mortality, withdrawal, etc.	<u>19,258</u>	<u>37,039</u>	<u>895</u>
E. UAAL at End of Year Before Plan Amendments and changes in Actuarial Assumption (C+D)	\$4,242,550	\$243,374	\$ 7,530
F. Change in Actuarial Accrued Liability Due to Plan Amendments	0	(761)	0
G. Change in Actuarial Accrued Liability Due to Changes in Actuarial Assumptions	<u>0</u>	<u>0</u>	<u>0</u>
H. UAAL at End of Year 6/30/05 (E+F+G)	<u>\$4,242,550</u>	<u>\$242,613</u>	<u>\$ 7,530</u>

Statistical Section

Introduction

Schedule of Changes in Net Assets

Revenues and Expenses

Summary of Membership

Active Members by Age and Service

Average Monthly Benefit Amounts

Schedule of Benefit Recipients by Type

Annuitant Residency

Principal Participating Employers

Participating Employers



Introduction



Public Employees Retirement Association of Minnesota
60 Empire Drive, Suite 200
Saint Paul, Minnesota 55103-2088
Member Information Services: 651-296-7460 or 1-800-652-9026
Employer Response Lines: 651-296-3636 or 1-888-892-7372
PERA Fax Number: 651-297-2547
PERA Website: www.mnpera.org



November 30, 2006

GASB Statement No. 44, Economic Condition Reporting: The Statistical Section, was issued in May 2004 and is effective this year. The statement establishes requirements related to the supplementary information presented in the Statistical Section of this report. As is stated in the pronouncement, the objective of the information found in the Statistical Section is to provide financial statement users with additional historical perspective, context, and detail to assist in using the information found in previous sections of this report to better understand and assess PERA's overall financial condition.

Financial Information

The Schedule of Changes in Net Assets is presented for the last 10 years, giving the reader an opportunity to review trends in the revenues and expenses of our defined benefit plans. The Revenues and Expenses graph on page 58 shows that more than two-thirds of our revenue has come from investment income over the past 20 years.

Plan Membership

Membership data for the past ten years can be found on page 59. Active membership has increased 13 percent during that time period, while the number of benefit recipients has increased 46 percent and the number of terminated vested members has increased 255 percent. The graphs on page 60 show the distribution of our active membership as of 6/30/06.

Information about our benefit recipients is provided on pages 61 through 67, including monthly benefit amounts, types of benefits, benefit options, and location of benefit recipients.

Employers

The rest of this section provides information about the employers who participate in PERA.

All non-accounting data is derived from PERA's internal sources.

Assistant Executive Director,
Finance and IS

Schedule of Changes in Net Assets

Last 10 Fiscal Years (in thousands)

PUBLIC EMPLOYEES RETIREMENT FUND

	1997	1998	1999	2000
ADDITIONS				
Employer Contributions	\$ 136,686	\$ 151,499	\$ 173,370	\$ 186,637
Member Contributions	128,234	140,386	158,475	171,073
Investment Income (net of expense)	1,389,595	1,581,550	1,052,303	914,574
Other	1,133	1,382	2,405	1,299
Total Additions to Plan Net Assets	<u>\$1,655,648</u>	<u>\$1,874,817</u>	<u>\$1,386,553</u>	<u>\$1,273,583</u>
DEDUCTIONS				
Benefits	\$ 342,155	\$ 412,745	\$ 467,601	\$ 527,119
Refunds	16,267	16,922	17,219	19,366
Administrative Expenses	5,667	7,076	9,631	8,329
Other	1,119	1,301	1,618	1,527
Total Deductions From Plan Net Assets	<u>\$ 365,208</u>	<u>\$ 438,044</u>	<u>\$ 496,069</u>	<u>\$ 556,341</u>
Change in Plan Net Assets	<u>\$1,290,440</u>	<u>\$1,436,773</u>	<u>\$ 890,484</u>	<u>\$ 717,242</u>

PUBLIC EMPLOYEES POLICE AND FIRE FUND

	1997*	1998*	1999*	2000
ADDITIONS				
Employer Contributions	\$ 53,017	\$ 56,015	\$ 57,849	\$ 53,178
Member Contributions	30,304	32,285	34,326	31,213
Investment Income (net of expense)	572,535	722,235	459,801	439,566
Other	33,706	24,415	2,387	503
Total Additions to Plan Net Assets	<u>\$689,562</u>	<u>\$834,950</u>	<u>\$554,363</u>	<u>\$524,460</u>
DEDUCTIONS				
Benefits	\$ 90,367	\$117,140	\$139,452	\$165,719
Refunds	941	1,478	1,106	94,754
Administrative Expenses	585	746	1,015	679
Other	299	534	410	1,549
Total Deductions From Plan Net Assets	<u>\$ 92,192</u>	<u>\$119,898</u>	<u>\$141,983</u>	<u>\$262,701</u>
Change in Plan Net Assets	<u>\$597,370</u>	<u>\$715,052</u>	<u>\$412,380</u>	<u>\$261,759</u>

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

	1997**	1998**	1999**	2000
ADDITIONS				
Employer Contributions				\$ 6,487
Member Contributions				4,382
Investment Income (net of expense)				253
Other				32
Total Additions to Plan Net Assets				<u>\$11,154</u>
DEDUCTIONS				
Benefits				\$ 20
Refunds				30
Administrative Expenses				111
Other				0
Total Deductions From Plan Net Assets				<u>\$ 161</u>
Change in Plan Net Assets				<u>\$10,993</u>

2001	2002	2003	2004	2005	2006
\$ 188,208	\$ 206,982	\$221,689	\$ 225,744	\$ 232,963	\$ 255,531
173,380	191,422	205,963	215,697	216,701	235,901
(754,349)	(765,319)	199,769	1,434,654	1,047,792	1,331,296
1,907	3,692	3,609	4,437	4,310	4,094
<u>\$ (390,854)</u>	<u>\$ (363,223)</u>	<u>\$631,030</u>	<u>\$1,880,532</u>	<u>\$1,501,766</u>	<u>\$1,826,822</u>

\$ 592,210	\$ 642,088	\$664,459	\$ 687,124	\$715,043	\$ 748,391
18,768	16,267	18,242	22,556	24,952	26,452
8,344	8,680	8,628	8,830	9,118	9,029
2,441	2,356	1,374	2,725	2,040	3,093
<u>\$ 621,763</u>	<u>\$ 669,391</u>	<u>\$692,703</u>	<u>\$ 721,235</u>	<u>\$751,153</u>	<u>\$ 786,965</u>
<u>\$ (1,012,617)</u>	<u>\$ (1,032,614)</u>	<u>\$ (61,673)</u>	<u>\$1,159,297</u>	<u>\$750,613</u>	<u>\$1,039,857</u>

2001	2002	2003	2004	2005	2006
\$ 52,960	\$ 90,664	\$ 50,917	\$52,769	\$ 55,802	\$ 63,603
31,341	33,801	34,751	36,313	37,873	42,970
(334,406)	(328,160)	76,117	578,008	435,327	543,959
2,744	1,937	3,281	2,733	2,113	1,917
<u>\$ (247,361)</u>	<u>\$ (201,758)</u>	<u>\$165,066</u>	<u>\$669,823</u>	<u>\$531,115</u>	<u>\$652,449</u>

\$192,246	\$212,405	\$225,434	\$237,442	\$251,429	\$264,601
3,358	711	643	644	734	867
639	647	675	712	703	707
447	255	301	541	477	295
<u>\$ 196,690</u>	<u>\$214,018</u>	<u>\$227,053</u>	<u>\$239,339</u>	<u>\$253,343</u>	<u>\$266,470</u>
<u>\$ (444,051)</u>	<u>\$ (415,776)</u>	<u>\$ (61,987)</u>	<u>\$430,484</u>	<u>\$277,772</u>	<u>\$385,979</u>

2001	2002	2003	2004	2005	2006
\$ 8,054	\$ 8,830	\$ 9,645	\$10,029	\$10,814	\$11,826
5,308	5,882	6,430	6,672	7,192	7,881
(750)	(2,290)	1,386	9,131	8,714	12,995
20	12	11	4	9	11
<u>\$12,632</u>	<u>\$12,434</u>	<u>\$17,472</u>	<u>\$25,836</u>	<u>\$26,729</u>	<u>\$32,713</u>

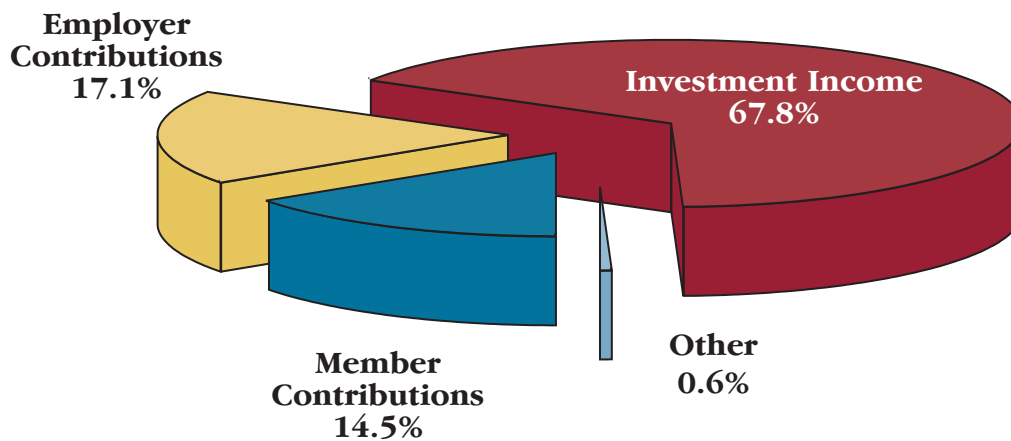
\$ 173	\$ 338	\$ 559	\$ 805	\$ 1,041	\$ 1,341
160	272	409	588	691	619
130	137	149	162	176	186
1	1	2	5	9	4
<u>\$ 464</u>	<u>\$ 748</u>	<u>\$ 1,119</u>	<u>\$ 1,560</u>	<u>\$ 1,917</u>	<u>\$ 2,150</u>
<u>\$12,168</u>	<u>\$11,686</u>	<u>\$16,353</u>	<u>\$24,276</u>	<u>\$24,812</u>	<u>\$30,563</u>

Revenues and Expenses

Average over last 20 years

REVENUES BY SOURCE (FY1987 - FY2006)

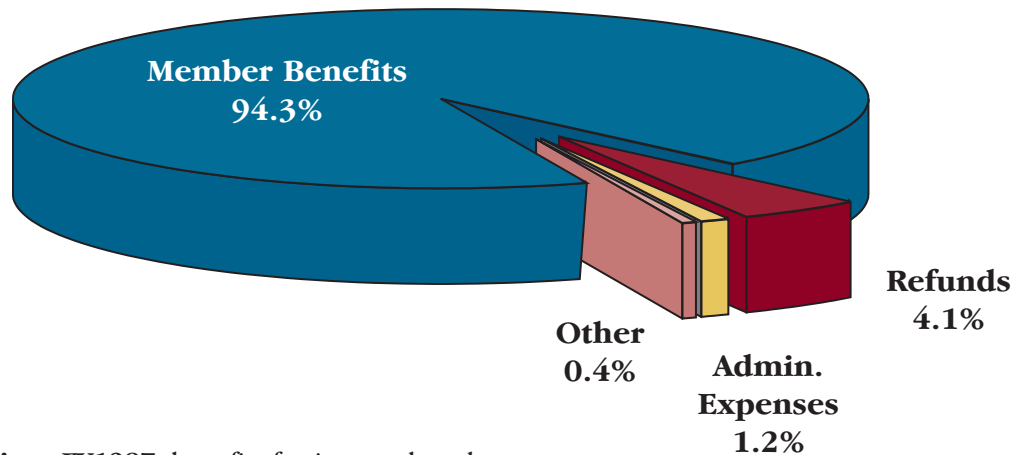
All Funds



Over the past 20 years, investment earnings have been responsible for approximately two thirds of PERA's revenues.

EXPENSE BY TYPE (FY1987 - FY2006)

All Funds



Since FY1987, benefits for its members has represented over 94 percent of PERA's expenses.

Summary of Membership

Last 10 Years

PUBLIC EMPLOYEES RETIREMENT FUND

<u>Fiscal Year</u>	<u>Active</u>	<u>Benefit Recipients</u>	<u>Terminated Vested</u>	<u>Terminated Non-Vested</u>	<u>Total</u>
1997	130,865	40,814	10,817	15,162	197,658
1998	136,166	43,142	12,238	15,847	207,393
1999	139,808	45,259	14,060	18,491	217,618
2000	135,560	47,347	21,495	79,362	283,764
2001	138,759	49,414	25,917	83,027	297,117
2002	137,817	50,878	29,353	87,114	305,162
2003	140,066	52,563	32,128	94,340	319,097
2004	138,164	54,620	33,915	102,265	328,964
2005	142,303	56,650	35,768	100,369	335,090
2006	144,244	59,078	37,476	105,590	346,388

PUBLIC EMPLOYEES POLICE AND FIRE FUND

<u>Fiscal Year</u>	<u>Active</u>	<u>Benefit Recipients</u>	<u>Terminated Vested</u>	<u>Terminated Non-Vested</u>	<u>Total</u>
1997*	9,012	4,532	322	201	14,067
1998*	9,296	4,941	346	194	14,777
1999*	9,477	5,259	368	195	15,299
2000	9,627	5,678	470	626	16,401
2001	9,858	5,998	554	610	17,020
2002	9,940	5,971	637	663	17,211
2003	9,948	6,208	758	740	17,654
2004	10,055	6,431	878	750	18,114
2005	10,235	6,615	927	729	18,506
2006	10,591	6,801	999	757	19,148

*includes Police & Fire Consolidation Fund

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

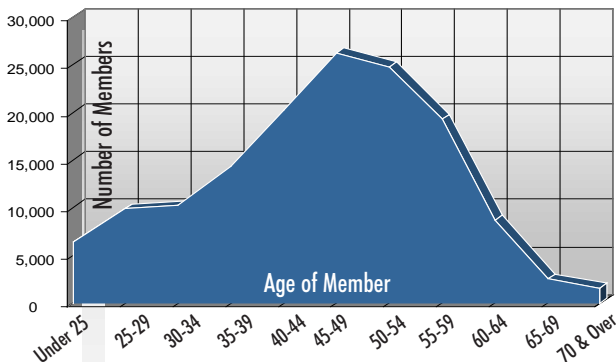
<u>Fiscal Year</u>	<u>Active</u>	<u>Benefit Recipients</u>	<u>Terminated Vested</u>	<u>Terminated Non-Vested</u>	<u>Total</u>
2000	2,781	12	0	0	2,793
2001	3,238	37	97	267	3,639
2002	3,270	63	282	488	4,103
2003	3,155	100	590	702	4,547
2004	3,251	139	758	911	5,059
2005	3,352	180	915	906	5,353
2006	3,531	223	1,100	1,086	5,940

Active Members

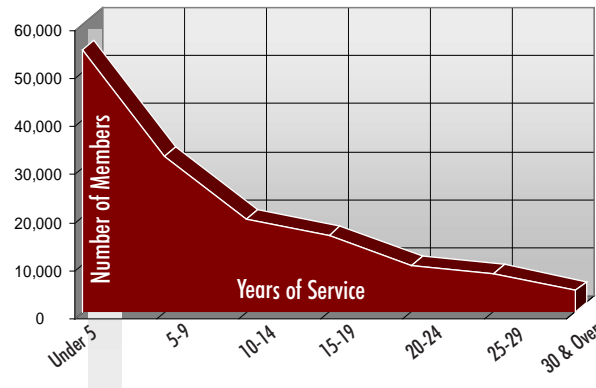
By Age and Service as of June 30, 2006

PUBLIC EMPLOYEES RETIREMENT FUND

Active Members by Age

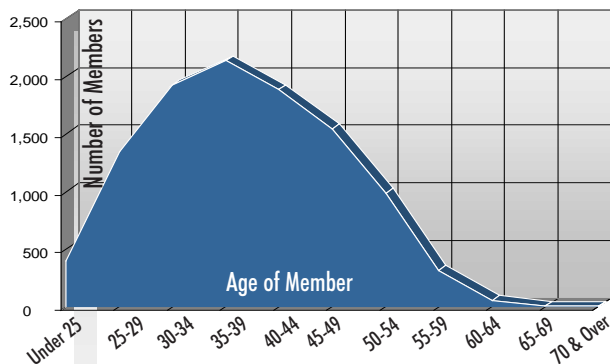


Active Members by Years of Service

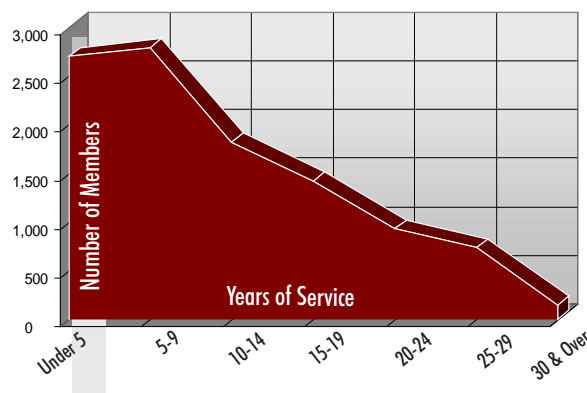


PUBLIC EMPLOYEES POLICE AND FIRE FUND

Active Members by Age

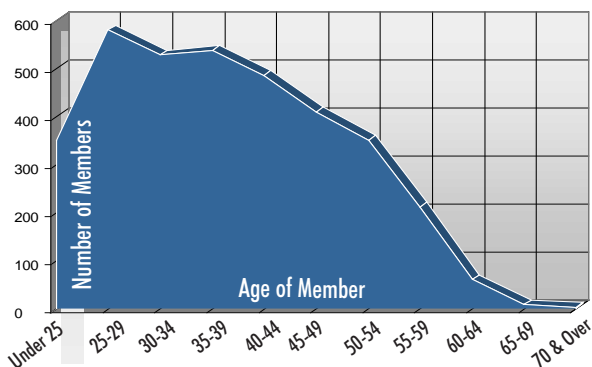


Active Members by Years of Service

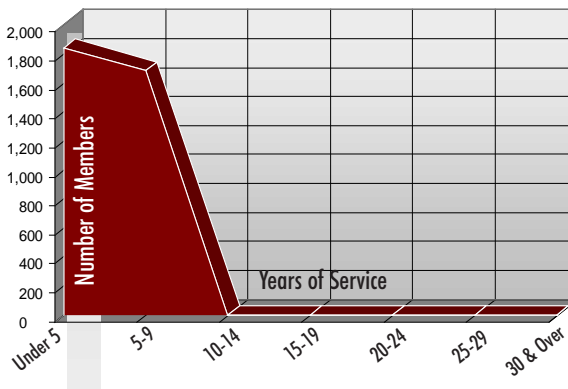


PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

Active Members by Age



Active Members by Years of Service



Average Monthly Benefit Amounts

Last 10 Years

PUBLIC EMPLOYEES RETIREMENT FUND

	Years of Credited Service						
	0-4	5-9	10-14	15-19	20-24	25-29	30+
1997							
Average monthly benefit	\$ 73	\$ 142	\$ 267	\$ 418	\$ 568	\$ 859	\$2,234
Average high five salary	\$2,189	\$1,436	\$1,632	\$1,854	\$1,950	\$2,230	\$3,132
Number of retirants	232	345	425	384	369	283	239
1998							
Average monthly benefit	\$ 89	\$ 160	\$ 312	\$ 465	\$ 654	\$1,060	\$2,296
Average high five salary	\$2,256	\$1,497	\$1,805	\$1,898	\$2,089	\$2,523	\$3,134
Number of retirants	277	473	535	541	481	391	374
1999							
Average monthly benefit	\$ 88	\$ 171	\$ 320	\$ 497	\$ 695	\$1,000	\$2,328
Average high five salary	\$2,111	\$1,586	\$1,797	\$2,021	\$2,212	\$2,452	\$3,249
Number of retirants	287	385	483	445	422	389	372
2000							
Average monthly benefit	\$ 75	\$ 168	\$ 313	\$ 509	\$ 701	\$1,084	\$2,136
Average high five salary	\$2,168	\$1,574	\$1,762	\$2,088	\$2,268	\$2,632	\$3,266
Number of retirants	286	474	549	468	462	410	413
2001							
Average monthly benefit	\$ 83	\$ 185	\$ 333	\$ 517	\$ 762	\$1,080	\$2,166
Average high five salary	\$2,344	\$1,706	\$1,883	\$2,161	\$2,436	\$2,637	\$3,402
Number of retirants	259	405	471	443	495	365	407
2002							
Average monthly benefit	\$ 92	\$ 177	\$ 362	\$ 562	\$ 774	\$1,086	\$2,095
Average high five salary	\$2,425	\$1,699	\$2,039	\$2,380	\$2,467	\$2,710	\$3,561
Number of retirants	252	333	440	377	411	369	360
2003							
Average monthly benefit	\$ 81	\$ 184	\$ 371	\$ 561	\$ 839	\$1,222	\$2,093
Average high five salary	\$2,157	\$1,721	\$2,075	\$2,279	\$2,621	\$2,996	\$3,663
Number of retirants	319	376	441	425	435	384	436
2004							
Average monthly benefit	\$ 100	\$ 189	\$ 392	\$ 610	\$ 887	\$1,245	\$2,236
Average high five salary	\$2,524	\$1,790	\$2,207	\$2,491	\$2,797	\$3,057	\$3,959
Number of retirants	342	417	458	526	409	401	544
2005							
Average monthly benefit	\$ 96	\$ 189	\$ 375	\$ 616	\$ 893	\$1,295	\$2,124
Average high five salary	\$2,397	\$1,795	\$2,087	\$2,462	\$2,800	\$3,117	\$3,938
Number of retirants	354	434	439	560	424	419	507
2006							
Average monthly benefit	\$ 100	\$ 211	\$ 419	\$ 672	\$ 898	\$1,320	\$2,115
Average high five salary	\$2,578	\$1,983	\$2,309	\$2,657	\$2,832	\$3,197	\$4,034
Number of retirants	393	588	527	563	470	409	577

Average Monthly Benefit Amounts

Last 10 Years

PUBLIC EMPLOYEES POLICE AND FIRE FUND

	Years of Credited Service						
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>
1997							
Average monthly benefit	\$ 218	\$ 547	\$1,228	\$1,276	\$1,907	\$2,665	\$3,566
Average high five salary	\$3,203	\$2,745	\$3,835	\$2,511	\$3,165	\$3,722	\$4,148
Number of retirants	7	3	8	10	30	82	63
1998							
Average monthly benefit	\$ 265	\$ 747	\$1,100	\$1,515	\$2,309	\$3,210	\$4,045
Average high five salary	\$4,185	\$3,367	\$2,847	\$3,096	\$3,646	\$4,075	\$4,323
Number of retirants	14	10	14	20	58	120	99
1999							
Average monthly benefit	\$ 552	\$ 875	\$1,699	\$1,559	\$2,365	\$3,368	\$4,259
Average high five salary	\$3,783	\$4,131	\$3,859	\$3,334	\$3,684	\$4,270	\$4,540
Number of retirants	12	9	13	13	53	126	72
2000							
Average monthly benefit	\$ 209	\$ 875	\$ 836	\$1,799	\$2,558	\$3,599	\$4,448
Average high five salary	\$3,897	\$3,780	\$2,221	\$3,389	\$3,913	\$4,497	\$4,724
Number of retirants	10	8	9	18	73	196	81
2001							
Average monthly benefit	\$ 244	\$ 931	\$1,143	\$1,691	\$2,808	\$3,612	\$4,401
Average high five salary	\$3,736	\$3,795	\$2,789	\$3,437	\$4,282	\$4,547	\$4,641
Number of retirants	13	6	6	14	60	133	41
2002							
Average monthly benefit	\$ 292	\$1,024	\$1,635	\$1,773	\$2,933	\$3,741	\$4,451
Average high five salary	\$3,608	\$4,908	\$4,658	\$3,518	\$4,347	\$4,711	\$4,808
Number of retirants	4	9	10	12	44	116	29
2003							
Average monthly benefit	\$ 286	\$ 845	\$1,214	\$1,817	\$3,033	\$3,907	\$4,902
Average high five salary	\$4,017	\$3,846	\$3,116	\$3,623	\$4,504	\$4,949	\$5,109
Number of retirants	11	10	10	21	49	111	51
2004							
Average monthly benefit	\$ 522	\$ 769	\$1,639	\$2,312	\$3,076	\$4,049	\$5,259
Average high five salary	\$4,647	\$3,586	\$4,468	\$4,325	\$4,552	\$5,079	\$5,626
Number of retirants	5	10	12	27	29	123	42
2005							
Average monthly benefit	\$ 316	\$1,145	\$1,208	\$2,095	\$2,915	\$4,376	\$4,969
Average high five salary	\$4,135	\$4,316	\$2,888	\$3,817	\$4,394	\$5,462	\$5,283
Number of retirants	10	16	8	26	41	103	49
2006							
Average monthly benefit	\$ 254	\$ 879	\$1,629	\$2,395	\$3,308	\$4,339	\$4,996
Average high five salary	\$3,541	\$4,142	\$4,022	\$4,610	\$4,928	\$5,402	\$5,323
Number of retirants	13	13	12	22	31	95	41

Average Monthly Benefit Amounts

Last 7 Years*

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

	Years of Credited Service						
	<u>0-4</u>	<u>5-9</u>	<u>10-14</u>	<u>15-19</u>	<u>20-24</u>	<u>25-29</u>	<u>30+</u>
2000							
Average monthly benefit	\$	28					
Average high five salary	\$	2,521					
Number of retirants		10					
2001							
Average monthly benefit	\$	71					
Average high five salary	\$	3,050					
Number of retirants		12					
2002							
Average monthly benefit	\$	157					
Average high five salary	\$	3,617					
Number of retirants		15					
2003							
Average monthly benefit	\$	182					
Average high five salary	\$	2,917					
Number of retirants		21					
2004							
Average monthly benefit	\$	251					
Average high five salary	\$	3,475					
Number of retirants		26					
2005							
Average monthly benefit	\$	328					
Average high five salary	\$	3,626					
Number of retirants		31					
2006							
Average monthly benefit	\$	460					
Average high five salary	\$	3,888					
Number of retirants		31					

*Fund not established until July 1999.

Schedule of Benefit Recipients by Type

PUBLIC EMPLOYEES RETIREMENT FUND

Amount of Monthly Benefit	Number of Benefit Recipients	Type of Benefit				Option Selected					
		A	B	C	D	1	2	3	4	5	6
\$ 1 - \$ 250	13,675	12,196	333	797	349	9,548	2,883	138	629	198	279
251 - 500	11,090	9,407	467	848	368	7,386	2,030	132	837	240	465
501 - 750	7,970	6,669	259	746	296	5,070	1,520	132	785	215	248
751 - 1,000	5,851	4,932	110	523	286	3,644	1,106	106	656	232	107
1,001 - 1,250	4,329	3,617	113	376	223	2,431	835	131	617	203	112
1,251 - 1,500	3,121	2,585	91	310	135	1,666	614	101	498	152	90
1,501 - 1,750	2,299	1,861	82	230	126	1,158	446	110	394	115	76
1,751 - 2,000	1,707	1,342	71	240	54	823	322	78	311	102	71
2,001 - 2,250	1,415	1,110	71	192	42	600	301	61	299	83	71
2,251 - 2,500	1,161	977	34	129	21	518	246	58	240	65	34
2,501 - 2,750	982	814	36	116	16	435	190	45	222	55	35
2,751 - 3,000	851	728	24	92	7	317	198	47	217	49	23
3,001 - 3,250	711	618	17	73	3	278	161	36	182	37	17
3,251 - 3,500	596	504	16	74	2	191	147	47	154	41	16
3,501 - 3,750	518	452	7	57	2	174	142	29	142	25	6
3,751 - 4,000	458	402	5	50	1	157	113	30	129	24	5
4,001 - 4,500	378	332	5	37	4	122	99	22	104	26	5
4,251 - 4,500	332	299	0	32	1	112	87	20	94	19	0
4,501 - 4,750	267	244	1	21	1	92	65	16	76	17	1
4,751 - 5,000	229	204	3	21	1	90	51	15	58	12	3
5,001 - 5,250	173	157	2	13	1	63	41	9	50	8	2
5,251 - 5,500	157	143	0	14	0	46	43	6	49	13	0
5,501 - 5,750	137	124	1	12	0	46	40	6	40	4	1
5,751 - 6,000	115	105	1	9	0	36	26	5	40	7	1
> \$6000	556	506	4	45	1	160	147	42	170	33	4
Totals	59,078	50,328	1,753	5,057	1,940	35,163	11,853	1,422	6,993	1,975	1,672

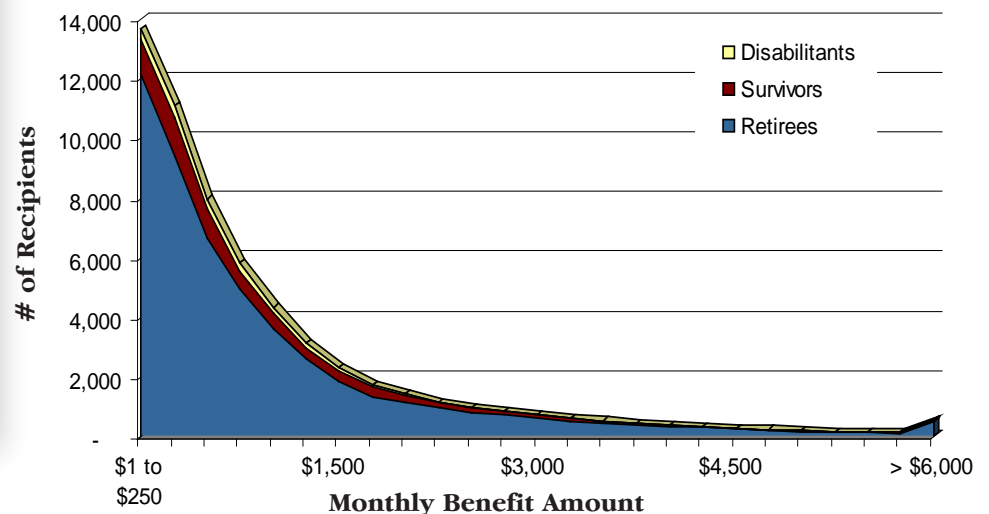
Type of Benefit

- A** Retirement
- B** Survivor of Active Member
- C** Survivor of Benefit Recipient
- D** Disability

Option Selected

- 1** Single Life
- 2** 100% J&S
- 3** 75% J&S
- 4** 50% J&S
- 5** 25% J&S
- 6** Other (Term-certain, children's benefits, etc.)

BENEFIT RECIPIENTS BY BENEFIT AMOUNT

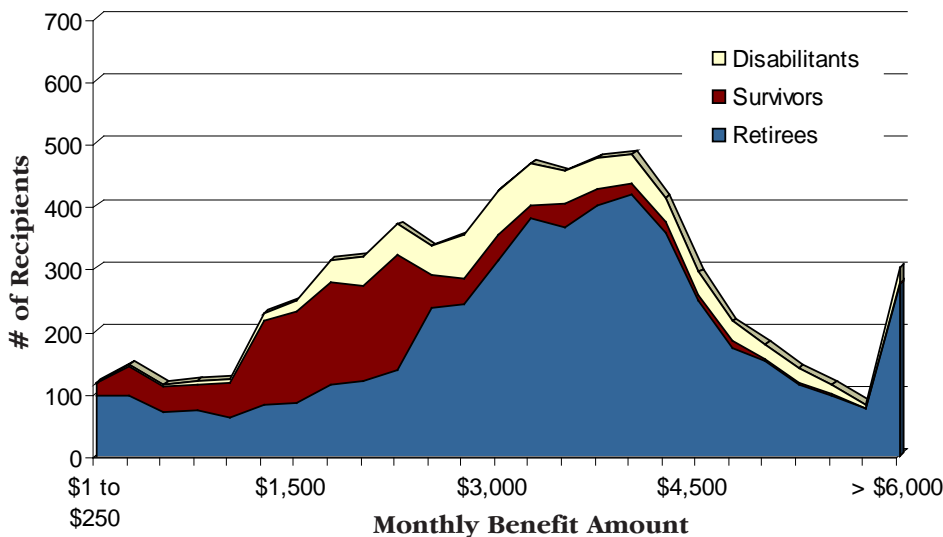


Schedule of Benefit Recipients by Type

PUBLIC EMPLOYEES POLICE AND FIRE FUND

Amount of Monthly Benefit	Number of Benefit Recipients	Type of Benefit					Option Selected					
		A	B	C	D	E	1	2	3	4	5	6
\$ 1 - \$ 250	116	94	7	15	0	0	43	42	1	13	5	12
251 - 500	144	94	27	21	2	0	45	34	2	19	7	37
501 - 750	112	69	18	24	0	1	29	35	0	22	3	23
751 - 1,000	119	71	8	35	4	1	39	33	2	27	3	15
1,001 - 1,250	121	61	18	38	4	0	32	31	1	21	6	30
1,251 - 1,500	227	81	48	86	9	3	39	41	3	35	3	106
1,501 - 1,750	248	83	67	79	15	4	47	33	7	39	7	115
1,751 - 2,000	311	112	69	96	20	14	69	50	8	34	9	141
2,001 - 2,250	318	120	63	89	23	23	80	44	8	48	7	131
2,251 - 2,500	369	136	74	112	15	32	76	55	13	38	8	179
2,501 - 2,750	334	237	10	41	13	33	94	83	26	49	17	65
2,751 - 3,000	353	242	14	27	8	62	121	71	30	42	6	83
3,001 - 3,250	425	312	15	26	13	59	131	99	23	53	26	93
3,251 - 3,500	466	379	7	15	15	50	149	70	32	73	25	117
3,501 - 3,750	454	365	14	23	18	34	133	71	41	74	23	112
3,751 - 4,000	476	400	7	18	22	29	142	68	50	69	24	123
4,001 - 4,250	481	418	11	6	17	29	139	58	33	97	28	126
4,251 - 4,500	411	356	6	10	17	22	101	55	49	72	18	116
4,501 - 4,750	293	246	7	4	16	20	84	40	36	61	25	47
4,751 - 5,000	214	172	5	5	15	17	70	33	23	59	18	11
5,001 - 5,250	176	151	1	3	14	7	58	23	23	56	15	1
5,251 - 5,500	140	113	0	4	9	14	53	19	20	34	13	1
5,501 - 5,750	112	95	0	3	9	5	38	18	13	39	3	1
5,751 - 6,000	82	75	0	0	3	4	34	5	10	24	9	0
> \$6,000	299	275	1	2	13	8	103	26	35	103	31	1
Totals	6,801	4,757	497	782	294	471	1,949	1,137	489	1,201	339	1,686

BENEFIT RECIPIENTS BY BENEFIT AMOUNT



Type of Benefit

- A** Retirement
- B** Survivor of Active Member
- C** Survivor of Benefit Recipient
- D** Non-Duty Disability
- E** Line-of-Duty Disability

Option Selected

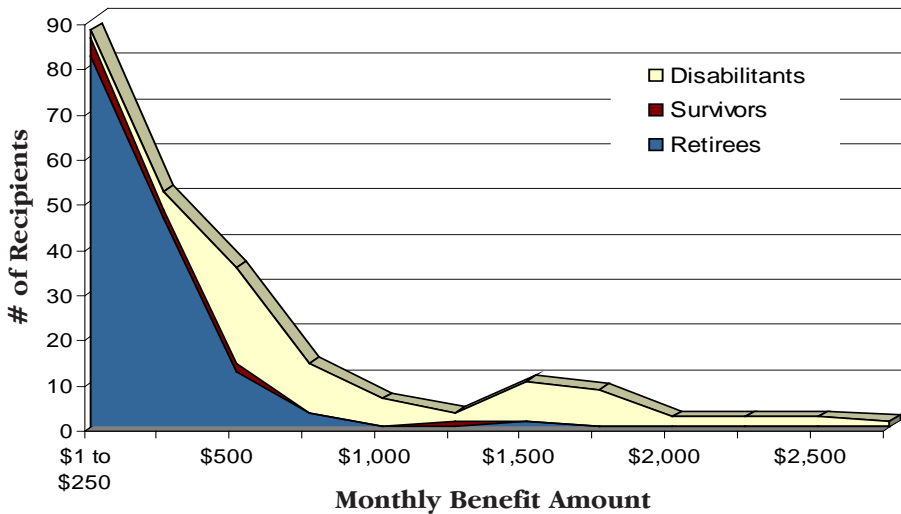
- 1** Single Life
- 2** 100% J&S
- 3** 75% J&S
- 4** 50% J&S
- 5** 25% J&S
- 6** Other

Schedule of Benefit Recipients by Type

PUBLIC EMPLOYEES CORRECTIONAL FUND (ESTABLISHED 7/1/99)

Amount of Monthly Benefit	Number of Benefit Recipients	Type of Benefit					Option Selected					
		A	B	C	D	E	1	2	3	4	5	6
\$ 1 - \$ 250	88	82	4	0	2	0	59	13	3	9	2	2
251 - 500	52	46	2	0	4	0	34	7	0	7	2	2
501 - 750	35	12	0	2	20	1	18	9	3	3	2	0
751 - 1,000	14	3	0	0	10	1	7	5	0	2	0	0
1,001 - 1,250	6	0	0	0	1	5	2	2	0	0	2	0
1,251 - 1,500	3	0	0	1	0	2	2	1	0	0	0	0
1,501 - 1,750	10	1	0	0	1	8	3	3	2	2	0	0
1,751 - 2,000	8	0	0	0	0	8	5	3	0	0	0	0
2,001 - 2,250	2	0	0	0	0	2	2	0	0	0	0	0
2,251 - 2,500	2	0	0	0	0	2	1	1	0	0	0	0
2,501 - 2,750	2	0	0	0	0	2	1	0	1	0	0	0
2,751 - 3,000	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1</u>	<u>1</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Totals	223	144	6	3	38	32	135	44	9	23	8	4

BENEFIT RECIPIENTS BY BENEFIT AMOUNT



Type of Benefit

- A** Retirement
- B** Survivor of Active Member
- C** Survivor of Benefit Recipient
- D** Non-Duty Disability
- E** Line-of-Duty Disability

Option Selected

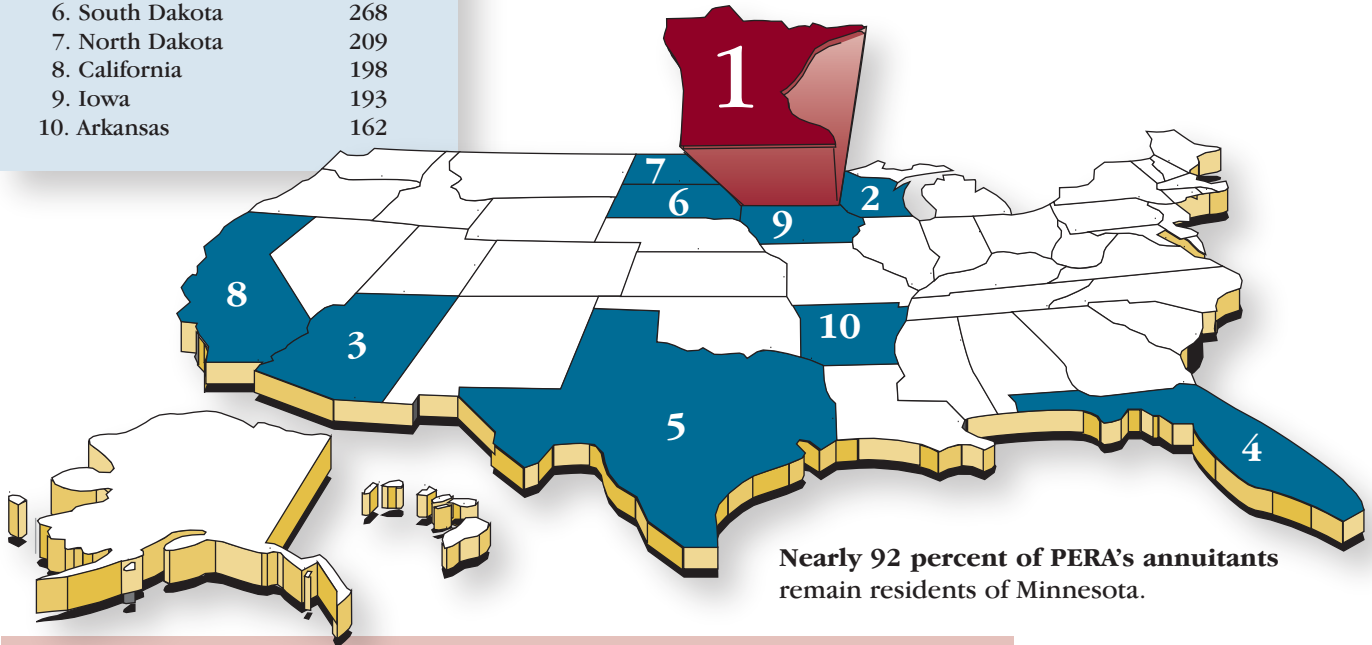
- 1** Single Life
- 2** 100% J&S
- 3** 75% J&S
- 4** 50% J&S
- J** 25% J&S
- K** Other

PERA Annuitant Residency

by State

Top 10 States by PERA Annuitant Population

State	Population
1. Minnesota	60,126
2. Wisconsin	1,155
3. Arizona	1,053
4. Florida	835
5. Texas	386
6. South Dakota	268
7. North Dakota	209
8. California	198
9. Iowa	193
10. Arkansas	162



Nearly 92 percent of PERA's annuitants remain residents of Minnesota.

Annuitants and Payments on June 1, 2006

State	Population	Payments	State	Population	Payments	State	Population	Payments
1 MN	60,126	\$77,564,096	19 TN	59	\$78,087	37 AK	17	\$17,436
2 WI	1,155	1,657,604	20 NC	57	65,639	38 MD	15	11,307
3 AZ	1,053	1,532,460	21 MI	55	50,819	39 KY	14	10,736
4 FL	835	1,459,807	22 GA	42	46,269	40 NY	13	17,242
5 TX	386	579,302	23 NE	35	28,298	41 MA	11	11,567
6 SD	268	298,486	24 AL	33	54,012	42 NJ	8	9,368
7 ND	209	215,313	25 VA	32	42,330	43 LA	5	7,892
8 CA	198	226,835	26 SC	31	41,754	44 ME	4	1,166
9 IA	193	184,082	27 OK	30	30,518	45 NH	3	2,106
10 AR	162	217,191	28 UT	28	37,051	46 CT	2	506
11 NV	137	218,271	29 ID	27	29,563	47 VT	2	624
12 WA	130	140,657	30 IN	27	35,652	48 WV	2	1,066
13 CO	129	139,747	31 OH	27	29,714	49 DE	1	404
14 MO	106	118,671	32 WY	27	40,921	50 RI	0	0
15 IL	85	90,943	33 HI	25	46,347	District of Columbia	1	103
16 OR	83	105,239	34 KS	25	29,102	Foreign Address	23	33,453
17 MT	67	80,090	35 MS	21	33,768			
18 NM	62	81,425	36 PA	18	16,294			

Principal Participating Employers

PUBLIC EMPLOYEES RETIREMENT FUND

FY2006

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
Hennepin County	10,842	7.52%
Minneapolis School Dist.	5,467	3.79%
City of Minneapolis	3,669	2.54%
Ramsey County	3,194	2.21%
St. Paul School Dist.	3,106	2.15%
Anoka-Hennepin School Dist.	2,636	1.83%
City of St. Paul	2,086	1.45%
St. Louis County	2,055	1.42%
Osseo School Dist.	2,012	1.39%
Anoka County	1,880	1.30%

FY2002*

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
Hennepin County	11,549	7.63%
Minneapolis School Dist.	6,282	4.15%
St. Paul School Dist.	4,413	2.92%
City of Minneapolis	4,057	2.68%
Ramsey County	3,333	2.20%
Anoka-Hennepin School Dist.	2,424	1.60%
St. Louis County	2,382	1.57%
City of St. Paul	2,323	1.54%
Anoka County	2,122	1.40%
Rosemount School Dist.	1,726	1.14%

PUBLIC EMPLOYEES POLICE AND FIRE FUND

FY2006

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
City of Minneapolis	1,187	11.21%
City of St. Paul	900	8.50%
Hennepin County	487	4.60%
Ramsey County	240	2.27%
City of Duluth	213	2.01%
City of Rochester	193	1.82%
City of St. Cloud	168	1.59%
Metropolitan Airports Comm.	135	1.27%
Wright County	112	1.06%
Anoka County	109	1.03%

FY2002*

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
City of Minneapolis	1,140	11.46%
City of St. Paul	841	8.45%
Hennepin County	524	5.27%
Ramsey County	252	2.53%
City of Duluth	237	2.38%
City of Rochester	176	1.77%
City of St. Cloud	133	1.34%
St. Louis County	101	1.02%
Metropolitan Airports Comm.	101	1.02%
City of Burnsville	91	0.91%

PUBLIC EMPLOYEES CORRECTIONAL FUND*

FY2006

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
Hennepin County	627	17.76%
Ramsey County	413	11.70%
Anoka County	226	6.40%
Olmsted County	163	4.62%
Dakota County	100	2.83%
Sherburne County	100	2.83%
St. Louis County	96	2.72%
Washington County	78	2.21%
Stearns County	77	2.18%
Northwestern MN Juvenile Center	75	2.12%

FY2002*

<u>Employer</u>	<u>Active Members</u>	<u>% of Total Active Members</u>
Hennepin County	666	20.37%
Ramsey County	354	10.83%
Anoka County	250	7.65%
Olmsted County	149	4.56%
St. Louis County	119	3.64%
Beltrami County	108	3.30%
Dakota County	99	3.03%
Washington County	76	2.32%
Sherburne County	71	2.17%
Goodhue County	62	1.90%

* Note: Information is not available before FY2002

Participating Employers

Employers listed below have employees in PERA's Basic, Coordinated, Correctional or Police and Fire benefit plans

CITIES

ADA	BIG FALLS	CHOKIO	DODGE CENTER	FRIDLEY	HENDRUM
ADAMS	BIG LAKE	CIRCLE PINES	DONNELLY	FROST	HENNING
ADRIAN	BIGELOW	CLARA CITY	DOVER	FULDA	HERMAN
AFTON	BIGFORK	CLARA CITY	DULUTH	GARFIELD	HERMANTOWN
AITKIN	BINGHAM LAKE	CARE CENTER	DUMONT	GARRISON	HERON LAKE
AKELEY	BIRCHWOOD	CLAREMONT	DUNDAS	GARVIN	HEWITT
ALBANY	BIRD ISLAND	CLARISSA	DUNDEE	GARY	HIBBING
ALBERT LEA	BISLAY	CLARKFIELD	DUNNELL	GAYLORD	HILL CITY
ALBERTA	BIWABIK	CLARKS GROVE	EAGAN	GENEVA	HILLS
ALBERTVILLE	BLACKDUCK	CLEAR LAKE	EAGLE BEND	GEORGETOWN	HILLTOP
ALDEN	BLAINE	CLEARBROOK	EAGLE LAKE	GHENT	HINCKLEY
ALEXANDRIA	BLOOMING PRAIRIE	CLEARWATER	EAST BETHEL	GIBBON	HITTERDAL
ALPHA	BLOOMINGTON	CLEMENTS	EAST GRAND FORKS	GILBERT	HOFFMAN
ALTURA	BLUE EARTH	CLEVELAND	EAST GULL LAKE	GILMAN	HOKAH
ALVARADO	BOVEY	CLIMAX	EASTON	GLENCOE	HOLDINGFORD
AMBOY	BOYD	CLINTON	ECHO	GLENVILLE	HOLLAND
ANDOVER	BRAHAM	CLOUTARF	EDEN PRAIRIE	GLENWOOD	HOLLANDALE
ANNANDALE	BRAINERD	CLOQUET	EDEN VALLEY	GLYNDON	HOLLOWAY
ANOKA	BRANDON	COATES	EDGERTON	GOLDEN VALLEY	HOPKINS
APPLE VALLEY	BRECKENRIDGE	COHASSET	EDINA	GONVICK	HOUSTON
APPLETON	BREEZY POINT	COKATO	EITZEN	GOOD THUNDER	HOWARD LAKE
ARDEN HILLS	BREWSTER	COLD SPRING	ELBOW LAKE	GOODHUE	HOYT LAKES
ARGYLE	BRICELYN	COLERAINE	ELGIN	GOODRIDGE	HUGO
ARLINGTON	BROOK PARK	COLOGNE	ELIZABETH	GOODVIEW	HUTCHINSON
ASHBY	BROOKLYN CENTER	COLUMBIA HEIGHTS	ELK RIVER	GRACEVILLE	INDEPENDENCE
ASKOV	BROOKLYN PARK	COMFREY	ELKO	GRANADA	INTERNATIONAL FALLS
ATWATER	BROOTEN	CONGER	ELKTON	GRAND MARAIS	INVER GROVE HEIGHTS
AUDUBON	BROWERVILLE	COOK	ELLEDALE	GRAND MEADOW	IONA
AURORA	BROWNS VALLEY	COON RAPIDS	ELLSWORTH	GRAND RAPIDS	IRONTON
AUSTIN	BROWNSDALE	CORCORAN	ELMORE	GRANITE FALLS	ISANTI
AVOCA	BROWNSVILLE	CORRELL	ELY	GRANT	ISLE
AVON	BROWNTON	COSMOS	ELYSIAN	GRASSTON	IVANHOE
BABBITT	BUFFALO	COTTAGE GROVE	EMILY	GREEN ISLE	JACKSON
BACKUS	BUFFALO LAKE	COTTONWOOD	EMMONS	GREENBUSH	JANESVILLE
BADGER	BUHL	COURTLAND	ERHARD	GREENFIELD	JASPER
BAGLEY	BURNSVILLE	CROMWELL	ERSKINE	GREENWOOD	JEFFERS
BALATON	BUTTERFIELD	CROOKSTON	EVANSVILLE	GREY EAGLE	JENKINS
BARNESVILLE	BYRON	CROSBY	EVELETH	GROVE	JORDAN
BARNUM	CALEDONIA	CROSSLAKE	EXCELSIOR	GRYGLA	KANDIYOHI
BARRETT	CALLAWAY	CRYSTAL	EYOTA	HACKENSACK	KARLSTAD
BATTLE LAKE	CALUMET	CURRIE	FAIRFAX	HADLEY	KASOTA
BAUDETTE	CAMBRIDGE	CYRUS	FAIRMONT	HALLOCK	KASSON
BAXTER	CAMPBELL	DALTON	FALCON HEIGHTS	HALSTAD	KEEWATIN
BAYPORT	CANBY	DANUBE	FARIBAULT	HAM LAKE	KELLIHER
BEARDSLEY	CANNON FALLS	DANVERS	FARMINGTON	HAMBURG	KELLOGG
BEAVER BAY	CANTON	DARWIN	ELTON	HAMPTON	KENNEDY
BEAVER CREEK	CARLOS	DASSEL	FERGUS FALLS	HANCOCK	KENSINGTON
BECKER	CARLTON	DAWSON	FERTILE	HANLEY FALLS	KENT
BEJOU	CARVER	DAYTON	FIFTY LAKES	HANOVER	KENYON
BELGRADE	CASS LAKE	DE GRAFF	FINLAYSON	HANSKA	KERKHOVEN
BELLE PLAINE	CEDAR MILLS	DEEHPAVEN	FLENSBURG	HARDWICK	KETTLE RIVER
BELLECHESTER	CENTER CITY	DEER CREEK	FLOODWOOD	HARMONY	KIESTER
BELLINGHAM	CENTERVILLE	DEER RIVER	FOLEY	HARRIS	KIMBALL
BELVIEW	CEYLON	DEERWOOD	FOREST LAKE	HARTLAND	KINNEY
BEMIDJI	CHAMPLIN	DELANO	FORESTON	HASTINGS	LA CRESCENT
BENA	CHANDLER	DELAVAN	FOSSTON	HAWLEY	LAFAYETTE
BENSON	CHANHASSEN	DELLWOOD	FOUNTAIN	HAYFIELD	
BERTHA	CHASKA	DENT	FRANKLIN	HAYWARD	
BETHEL	CHATFIELD	DETROIT LAKES	FRAZEE	HECTOR	
	CHISAGO	DEXTER	FREEBORN	HENDERSON	
	CHISHOLM	DILWORTH	FREEPORT	HENDRICKS	

LAKE BENTON	MAYER	NORTH MANKATO	RICHMOND	STEWART	WILMONT
LAKE BRONSON	MAYNARD	NORTH OAKS	ROBBINSDALE	STEWARTVILLE	WINDOM
LAKE CITY	MAZEPPA	NORTH ST PAUL	ROCHESTER	STILLWATER	WINGER
LAKE CRYSTAL	MC GRATH	NORTHFIELD	ROCK CREEK	STOCKTON	WINNEBAGO
LAKE ELMO	MC GREGOR	NORTHOME	ROCKFORD	STORDEN	WINONA
LAKE LILLIAN	MC INTOSH	NORTHROP	ROCKVILLE	STURGEON LAKE	WINSTED
LAKE PARK	MC KINLEY	NORWOOD	ROGERS	SWANVILLE	WINTHROP
LAKE SHORE	MEADOWLANDS	YOUNG AMERICA	ROLLINGSTONE	TACONITE	WINTON
LAKE ST CROIX BEACH	MEDFORD	OAK GROVE	ROSE CREEK	TAYLORS FALLS	WOLF LAKE
LAKE WILSON	MEDINA	OAK PARK HEIGHTS	ROSEAU	THIEF RIVER FALLS	WOLVERTON
LAKEFIELD	MELROSE	OAKDALE	ROSEMOUNT	THOMSON	WOOD LAKE
LAKELAND	MENAHGA	ODESSA	ROSEVILLE	TINTAH	WOODBURY
LAKEVILLE	MENDOTA HEIGHTS	OGEMA	ROTHSAY	TONKA BAY	WOODLAND
LAMBERTON	MENTOR	OGILVIE	ROUND LAKE	TOWER	WORTHINGTON
LANCASTER	MIDDLE RIVER	OKABENA	ROYALTON	TRACY	WRENSHALL
LANDFALL	MILACA	OKLEE	RUSH	TRIMONT	WYKOFF
LANESBORO	MILAN	OLIVIA	RUSHFORD	TRUMAN	WYOMING
LAPRAIRIE	MILLERVILLE	ONAMIA	RUSHMORE	TWIN LAKES	ZIMMERMAN
LAUDERDALE	MILLVILLE	ORONO	RUSSELL	TWIN VALLEY	ZUMBRO FALLS
LE CENTER	MILROY	ORONOCO	RUTHTON	TWO HARBORS	ZUMBROTA
LE SUEUR	MILTON	ORR	SACRED HEART	TYLER	
LENGBY	MILTONA	ORTONVILLE	SANBORN	ULEN	
LEROY	MINNEAPOLIS	OSAKIS	SANDSTONE	UNDERWOOD	
LESTER PRAIRIE	MINNEOTA	OSLO	SARTELL	UPSALA	
LEWISTON	MINNESOTA LAKE	OSSEO	SAUK CENTRE	VADNAIS HEIGHTS	ACOMA
LEWISVILLE	MINNETONKA	OSTRANDER	SAUK RAPIDS	VENTURA	ADAMS
LEXINGTON	MINNETONKA BEACH	OTSEGO	SAVAGE	VERGAS	ADRIAN
LILYDALE	MINNETRISTA	OWATONNA	SCANLON	VERMILLION	AETNA
LINDSTROM	MONTEVIDEO	PALISADE	SEBEKA	VERNDALE	AITKIN
LINO LAKES	MONTGOMERY	PARK RAPIDS	SHAFER	VERNON CENTER	ALBA
LISMORE	MONTICELLO	PARKERS PRAIRIE	SHAKOPEE	VESTA	ALBERT LEA
LITCHFIELD	MONTROSE	PAYNESVILLE	SHELLY	VICTORIA	ALBION
LITTLE CANADA	MOORHEAD	PELICAN RAPIDS	SHERBURN	VIKING	ALDRICH
LITTLE FALLS	MOOSE LAKE	PENBERTON	SHOREVIEW	VILLARD	ALTON
LITTLEFORK	MORA	PENNOCK	SHOREWOOD	VIRGINIA	ALYWOOD
LONG BEACH	MORGAN	PEQUOT LAKES	SILVER BAY	WABASHA	AMHERST
LONG LAKE	MORRIS	PERHAM	SILVER LAKE	WABASSO	ANDOVER
LONG PRAIRIE	MORRISTOWN	PETERSON	SLAYTON	WACONIA	ANN LAKE
LONGVILLE	MORTON	PIERZ	SLEEPY EYE	WADENA	ANTRIM
LONSDALE	MOTLEY	PILLAGER	SOUTH HAVEN	WAHCON	ARBO
LORETTO	MOUND	PINE CITY	SOUTH ST PAUL	WAITE PARK	ARDENHURST
LUCAN	MOUNDS VIEW	PINE ISLAND	SPICER	WALDORF	ARENDAHL
LUVERNE	MOUNTAIN IRON	PINE RIVER	SPRING GROVE	WALKER	ARLINGTON
LYLE	MOUNTAIN LAKE	PIPESTONE	SPRING LAKE PARK	WALNUT GROVE	ARNA
LYND	MURDOCK	PLAINVIEW	SPRING PARK	WANAMINGO	ARTHUR
MABEL	NASHWALK	PLATO	SPRING VALLEY	WANDA	ASHLAND
MADIELA	NERSTRAND	PLUMMER	SPRINGFIELD	WARREN	ATHENS
MADISON	NEVIS	PLYMOUTH	ST ANTHONY	WARROAD	ATKINSON
MADISON LAKE	NEW AUBURN	PRESTON	ST BONIFACIUS	WASECA	AVON
MAHNOMEN	NEW BRIGHTON	PRINCETON	ST CHARLES	WATERTOWN	BADOURA
MAHTOMEDI	NEW GERMANY	PRINSBURG	ST CLAIR	WATERVILLE	BAKER
MANKATO	NEW HOPE	PRIOR LAKE	ST CLOUD	WATKINS	BALDWIN
MANTORVILLE	NEW LONDON	PROCTOR	ST FRANCIS	WATSON	BALKAN
MAPLE GROVE	NEW MUNICH	RACINE	ST HILAIRE	WAUBUN	BALL BLUFF
MAPLE LAKE	NEW PRAGUE	RAMSEY	ST JAMES	WAVERLY	BALSAM
MAPLE PLAIN	NEW RICHLAND	RANDALL	ST JOSEPH	WAYZATA	BANDON
MAPLETON	NEW ULM	RANDOLPH	ST LEO	WELCOME	BARCLAY
MAPLEVIEW	NEW YORK MILLS	RANIER	ST LOUIS PARK	WELLS	BARRY
MAPLEWOOD	NEWFOLDEN	RAYMOND	ST MICHAEL	WENDELL	BARTLETT
MARBLE	NEWPORT	RED LAKE FALLS	ST PAUL	WEST CONCORD	BASHAW
MARIETTA	NICOLLET	RED WING	ST PAUL PARK	WEST ST PAUL	BASS BROOK
MARINE ON ST CROIX	NIELSVILLE	REDWOOD FALLS	ST PETER	WESTBROOK	BASSETT
MARSHALL	NISSWA	REMER	ST STEPHEN	WHEATON	BAY LAKE
	NORTH BRANCH	RENDSVILLE	STACY	WHITE BEAR LAKE	BEARVILLE
		RENVILLE	STAPLES	WILLERNIE	BEATTY
		RICE	STARBUCK	WILLIAMS	BEAULIEU
		RICHFIELD	STEPHEN	WILLMAR	BEAVER CREEK

TOWNSHIPS

BEAVER FALLS	CENTER	EDEN LAKE	GRAHAM LAKES	INDUSTRIAL	LIBERTY
BECKER	CHANARAMBIE	EDNA	GRANBY	INGUADONA	LIDA
BELGRADE	CHARLESTOWN	EFFINGTON	GRAND LAKE	INMAN	LIME
BELLE CREEK	CHASKA	ELDORADO	GRAND MEADOW	IONA	LIME LAKE
BELLE PLAINE	CHATHAM	ELGIN	GRAND PRAIRIE	IRON RANGE	LINCOLN
BELLE PRAIRIE	CHENGWATANA	ELIZABETH	GRAND RAPIDS	IRONDALE	LINDEN
BELLE RIVER	CHERRY	ELK LAKE	GRANITE FALLS	IRVING	LINWOOD
BELLEVUE	CHERRY GROVE	ELLINGTON	GRANT VALLEY	ISANTI	LITCHFIELD
BELMONT	CHESTER	ELLSBURG	GREAT SCOTT	ISLAND LAKE	LITTLE ELBOW
BELVIDERE	CHIPPEWA FALLS	ELM CREEK	GREENBUSH	JANESVILLE	LITTLE FALLS
BEMIDJI	CHISAGO LAKE	ELM DALE	GREENLEAF	JAY	LITTLE PINE
BENTON	CLAYTON	ELMER	GREENVALE	JO DAVIS	LIVONIA
BERGEN	CLEAR LAKE	ELMIRA	GREENWAY	JOHNSONVILLE	LONE PINE
BERNADOTTE	CLEARWATER	EMBARRASS	GREENWOOD	KANABEC	LONE TREE
BIG LAKE	CLIFTON	EMPIRE	GREY CLOUD	KANARANZI	LONG LAKE
BIG STONE	CLOVER	ERIN	ISLAND	KANDIYOHI	LOUISVILLE
BIRCH CREEK	COKATO	ESPELIE	GREY EAGLE	KASOTA	LUXEMBURG
BISMARCK	COLLEGEVILLE	EVANSVILLE	GULLY	KATHIO	LYLE
BIWABIK	COLUMBIA	EVERGREEN	GUTHRIE	KEGO	LYNDEN
BLACKBERRY	COLUMBUS	FAIR HAVEN	HALDEN	KENYON	LYNN
BLACKHOOF	COLVIN	FAIRBANKS	HALSTAD	KETTLE RIVER	MACVILLE
BLAKELEY	COMPTON	FAIRFIELD	HAMMER	KIESTER	MAGNOLIA
BLIND LAKE	CONCORD	FAIRMONT	HAMPTON	KILKENNY	MAINE
BLOOMFIELD	COON CREEK	FAIRVIEW	HARMONY	KIMBERLY	MAINE PRAIRIE
BLOOMING GROVE	CORINNA	FALL LAKE	HARRIS	KING	MANANNAH
BLUE HILL	CORMORANT	FALUN	HARRISON	KINGSTON	MANFRED
BOGUS BROOK	COSMOS	FARM ISLAND	HASSAN	KNIFE LAKE	MANKATO
BONDIN	COTTON	FARMINGTON	HAUGEN	KNUTE	MANTORVILLE
BOWSTRING	COTTONWOOD	FAYAL	HAVANA	KRAGERO	MANTRAP
BOY LAKE	CRATE	FENTON	HAVEN	KRAIN	MAPLE LAKE
BRADFORD	CREDIT RIVER	FILLMORE	HAVERHILL	KROSCHER	MAPLE RIDGE
BRANDON	CROOKED LAKE	FISH LAKE	HAWLEY	LA CRESCENT	MARBLE
BREITUNG	CROW RIVER	FLEMING	HAY CREEK	LA CROSSE	MARCELL
BREMEN	CROW WING	FLOODWOOD	HAYLAND	LA GARDE	MARION
BRIGHTON	CROW WING	FLORENCE	HAYWARD	LA GRANDE	MARSHALL
BRISTOL	LAKES	FLORIDA	HAZELTON	LAFAYETTE	MARSHAN
BROCKWAY	CRYSTAL BAY	FOLDAHL	HEGBERT	LAKE ANDREW	MARTIN
BROWNS VALLEY	CULDRUM	FOREST	HEIGHT OF LAND	LAKE EDWARD	MARYSVILLE
BROWNSVILLE	CULVER	FOREST CITY	HELEN	LAKE ELIZABETH	MASON
BRUNSWICK	DAGGETT BROOK	FOREST LAKE	HELENA	LAKE EMMA	MAXWELL
BUFFALO	DAHLGREN	FORESTVILLE	HELGA	LAKE FREMONT	MAY
BUH	DALBO	FOX LAKE	HENDERSON	LAKE GEORGE	MAYHEW LAKE
BURNHAMVILLE	DARLING	FRAMNAS	HENRIETTA	LAKE HANSA	MAYVILLE
BURNS	DARWIN	FRANCONIA	HERON LAKE	LAKE MARSHALL	MAZEPPA
BURTON	DEAD LAKE	FRANKFORT	HIGDEM	LAKE PLEASANT	MCDAVITT
BUTTERFIELD	DECORIA	FRANKLIN	HIGH FOREST	LAKE SARAH	MEADOWLANDS
BUTTERNUT VALLEY	DEERWOOD	FRASER	HIGHWATER	LAKESIDE	MEHURIN
BUZZLE	DELL GROVE	FREDENBERG	HINES	LAKETOWN	MERTON
BYRON	DENVER	FREEDOM	HIRAM	LAKEVIEW	MICKINOCK
CAIRO	DERRYNANE	FREEMAN	HOBART	LAKEWOOD	MIDDLETOWN
CALEDONIA	DES MOINES	FRENCH	HOFF	LAKIN	MIDDLEVILLE
CAMBRIA	RIVER	FRENCH LAKE	HOKAH	LAND	MIDWAY
CAMBRIDGE	DEWALD	FRIBERG	HOLDEN	LANESBURGH	MILACA
CAMDEN	DEXTER	GARDEN CITY	HOLDING	LANGOLA	MILFORD
CAMP	DORA	GARFIELD	HOLLAND	LAWRENCE	MILLERVILLE
CANNON FALLS	DOUGLAS	GARNES	HOLLY	LE SAUK	MILO
CANOSIA	DOVER	GARRISON	HOLLYWOOD	LEAF LAKE	MINDEN
CANTON	DOVRAJ	GENNESSEE	HOLT	LEAF RIVER	MINNEOTA
CARIMONA	DRESBACH	GETTY	HOLYOKE	LEECH LAKE	MINNEWASKA
CARLOS	DRYDEN	GIRARD	HOME	LEEDS	MISSION
CARPENTER	DULUTH	GLEN	HOMEBROOK	LENT	MOE
CARROLTON	DUNN	GLENDORADO	HOMESTEAD	LEON	MOLTKE
CARSON	EAGLE LAKE	GNESEN	HONNER	LERAY	MONEY CREEK
CASCADE	EAGLE VIEW	GOOD HOPE	HOUSTON		
CASTLE ROCK	EAGLES NEST	GOOSE PRAIRIE	IDA		
CEDAR	EAST SIDE	GRACEVILLE	IDEAL		
CEDAR MILLS	EASTERN	GRAHAM	IDUN		

MONTGOMERY	PENN	SCANDIA VALLEY	TRANSIT	WOOD LAKE	MEEKER
MONTICELLO	PETERSBURG	SCHROEDER	TRELIPE	WOODLAND	MILLE LACS
MOONSHINE	PIKE BAY	SCOTT	TROUT LAKE	WOODROW	MORRISON
MORAN	PIKE CREEK	SEAVEY	TUMULI	WOODSIDE	MOWER
MORANVILLE	PILOT MOUND	SEVERANCE	TURNER	WOODVILLE	MURRAY
MORKEN	PINE CITY	SHAMROCK	TURTLE CREEK	WORKMAN	NICOLLET
MORRISON	PINE ISLAND	SHELburne	TURTLE LAKE	WRENSHALL	NOBLES
MORSE	PINE LAKE	SHELBY	TWIN LAKES	WRIGHT	NORMAN
MOTLEY	PINE RIVER	SHELL LAKE	TWO RIVERS	WUORI	OLMSTED
MOUNT VERNON	PLAINVIEW	SHERIDAN	URNES	WYANETT	OTTERTAIL
MOUNTAIN LAKE	PLEASANT	SHETEK	VAIL	WYOMING	PENNINGTON
MUNSON	PRAIRIE	SHIELDSVILLE	VAN BUREN	YORK	PINE
NASHVILLE	PLINY	SHINGOBEE	VASA	YOUNG AMERICA	PIPESTONE
NASHWAUK	POKEGAMA	SIBLEY	VERDI	YUCATAN	POLK
NELSON	POPPLE GROVE	SILVER BROOK	VERMILLION	ZUMBRO	POPE
NESSSEL	POSEN	SILVER CREEK	VERNON	ZUMBROTA	RAMSEY
NEVADA	POWERS	SILVER LAKE	VESTA		RED LAKE
NEVIS	PRAIRIE VIEW	SINCLAIR	VICTOR		REDWOOD
NEW AUBURN	PREBLE	SIoux AGENCY	VIKING		RENVILLE
NEW HAVEN	PRESTON	SKANDIA	VILLARD		RICE
NEW LONDON	PRINCETON	SKELTON	VINELAND		ROCK
NEW PRAIRIE	PRIOR	SOLEM	VIVIAN		ROSEAU
NEW RICHLAND	PROVIDENCE	SOLWAY	WABEDO		ST LOUIS
NEW SCANDIA	PULASKI	SOUTH BEND	WACONIA		SCOTT
NEW SOLUM	QUEEN	SOUTH BRANCH	WACOUTA		SHERBURNE
NEWBURG	QUINCY	SOUTH HARBOR	WAKEFIELD		SIBLEY
NOKAY LAKE	RABBIT LAKE	SOUTH FORK	WALDEN		STEARNS
NORA	RACINE	SOUTHSIDE	WALTHAM		STEELE
NORDLAND	RANDOLPH	SPARTA	WANAMINGO		STEVENS
NORMAN	RANSOM	SPENCER	WANG		SWIFT
NORTH HERO	RAPIDAN	SPENCER BROOK	WARD		TODD
NORTH STAR	RAVENNA	SPRING GROVE	WARREN		TRAVERSE
NORTHERN	RED LAKE FALLS	SPRING LAKE	WARSAW		WABASHA
NORTHFIELD	RICE LAKE	SPRINGDALE	WASIOJA		WADENA
NORWAY	RICH VALLEY	SPRINGHILL	WATAB		WASECA
NORWEGIAN	RICHARDSON	SPRINGVALE	WATERBURY		WASHINGTON
GROVE	RICHMOND	SPRINGWATER	WATERTOWN		WATONWAN
OAK LAWN	RIVER FALLS	SPRUCE GROVE	WATERVILLE		WILKIN
OAK PARK	RIVERSIDE	ST JAMES	WATOPA		WINONA
OAK VALLEY	ROCHESTER	ST JOSEPH	WAWINA		WRIGHT
OAKLAND	ROCK DELL	ST MARTIN	WEBSTER		YELLOW MEDICINE
ODESSA	ROCKFORD	ST OLAF	WEIMER		
ORION	ROCKSBURY	STANCHFIELD	WELCH		
ORROCK	ROCKWOOD	STANFORD	WELLINGTON		
ORTON	ROGERS	STANTON	WELLS		
OSAGE	ROLLING GREEN	STAPLES	WEST HERON		
OSBORNE	ROLLINGSTONE	STAR LAKE	LAKE		
OSHKOSH	ROOSEVELT	STERLING	WEST NEWTON		
OTENEAGEN	ROSEHILL	STILLWATER	WESTBROOK		
OTISCO	ROSENDALE	STOCKHOLM	WHEATLAND		
OTREY	ROSEVILLE	STONY RUN	WHITE		
OTTERTAIL	ROSS	STORDEN	WHITE BEAR		
PENINSULA	ROSS LAKE	STURGEON	WHITE OAK		
OTTO	ROUND GROVE	STURGEON LAKE	WILKINSON		
OWATONNA	ROUND LAKE	SUMMIT	WILLIAMS		
OXFORD	ROYALTON	SUMNER	WILMINGTON		
PALMYRA	RUSHEBA	SUMTER	WILMONT		
PARKERS PRAIRIE	RUTLAND	SUNDOWN	WILSON		
PAXTON	SALEM	SUNRISE	WINDEMERE		
PAYNESVILLE	SAND LAKE	SVERDRUP	WING RIVER		
PEACE	SANTIAGO	SWAN RIVER	WINNEBAGO		
PELICAN	SARGEANT	SWANVILLE	WINONA		
PELICAN LAKE	SAUK RAPIDS	SWEET	WINSOR		
PEMBINA	SAVANNAH	SYLVAN	WINSTED		
		TANSEM	WISCOY		
		THOMSON	WOLF LAKE		
		THUNDER LAKE	WOLFORD		

COUNTIES

AITKIN
ANOKA
BECKER
BELTRAMI
BENTON
BIG STONE
BLUE EARTH
BROWN
CARLTON
CARVER
CASS
CHIPPEWA
CHISAGO
CLAY
CLEARWATER
COOK
COTTONWOOD
CROW WING
DAKOTA
DODGE
DOUGLAS
FARIBAUT
FILLMORE
FREEBORN
GOODHUE
GRANT
HENNEPIN
HOUSTON
HUBBARD
ISANTI
ITASCA
JACKSON
KANABEC
KANDIYOHI
KITTSO
KOOCHICHING
LAC QUI PARLE
LAKE
LAKE OF THE WOODS
LE SUEUR
LINCOLN
LYON
MAHNOMEN
MARSHALL
MARTIN
MCLEOD

SCHOOLS

ACORN DUAL LANGUAGE COMMUNITY ISD-4018
ADA-BORUP ISD-2854
ADRIAN ISD-511
AITKIN ISD-1
AKELEY-HACKENSACK-WALKER ISD 113
ALBANY ISD-745
ALBERT LEA ISD-241
ALBERTA-CHOKIO ISD-771
ALDEN-CONGER ISD-242
ALEXANDRIA ISD-206
ANNANDALE ISD-876
ANOKA-HENNEPIN ISD-11
ARROWHEAD REGIONAL COMPUTING
ASHBY ISD-261
ATWATER-COSMOS-GROVE CITY ISD-2396
AURORA CHARTER SCHOOL
AURORA-HOYT-BIWABIK ISD-2711
AUSTIN ISD-492

BACKUS-PINE RIVER ISD-2174
 BADGER ISD-676
 BAGLEY ISD-162
 BALATON ISD-411
 BARNESVILLE ISD-146
 BARNUM ISD-91
 BATTLE LAKE ISD-542
 BECKER ISD-726
 BELGRADE-BROOTEN ISD-2364
 BELLE PLAINE ISD-716
 BELLINGHAM ISD-371
 BEMIDJI ISD-31
 BEMIDJI REGIONAL INTERDISTRICT COUNCIL
 BENSON ISD-777
 BENTON-STEARNS SPECIAL EDUCATION
 BERTHA-HEWITT ISD-786
 BIG LAKE ISD-727
 BIRD ISLAND -OLIVIA ISD-2534
 BLACKDUCK ISD-32
 BLOOMING PRAIRIE ISD-756
 BLOOMINGTON ISD-271
 BLUE EARTH-WINNEBAGO ISD-2860
 BLUFFVIEW MONTESSORI ISD-4001
 BORDER REGION ED DIST ISD-6020
 BOYD-DAWSON ISD-378
 BRAHAM ISD-314
 BRAINERD ISD-181
 BRANDON ISD-207
 BRECKENRIDGE ISD-846
 BREWSTER ISD-513
 BRICELYN-EASTON-REEBORN-WELL ISD-2134
 BROOKLYN CENTER ISD-286
 BROWERVILLE ISD-787
 BROWNS VALLEY ISD-801
 BUFFALO ISD-877
 BUFFALO LAKE-HECTOR ISD-2159
 BUHL-MOUNTAIN IRON ISD-712
 BURNSVILLE ISD-191
 BUTTERFIELD ISD-836
 BYRON ISD-531
 CALEDONIA ISD-299
 CAMBRIDGE-ISANTI ISD-911
 CAMPBELL TINTAH ISD-852
 CANBY ISD-891
 CANNON FALLS ISD-252
 CANTON-MABEL ISD-238
 CARLTON ISD-93
 CARVER-SCOTT EDUCATIONAL COOP #930
 CASS LAKE ISD-115
 CEDAR-RIVERSIDE COMMUNITY ISD-4004
 CENTENNIAL ISD-12
 CENTRAL MINNESOTA E R D C
 CHASKA ISD-112
 CHISAGO LAKES ISD-2144
 CHISHOLM ISD-695
 CHOSEN VALLEY ISD-227
 CIRCLE PINES ISD-12
 CITY ACADEMY ISD-4000
 CLAREMONT-DODGE CENTER-
 W CONCORD ISD-2125
 CLEARBROOK-GONVICK ISD-2311
 CLEVELAND ISD-391
 CLIMAX ISD-592
 CLINTON-GRACEVILLE-BEARDSLEY ISD-2888
 CLOQUET ISD-94
 COKATO-DASSEL ISD-466
 COLD SPRING ISD-750
 COLERAINE ISD-316
 COLUMBIA HEIGHTS ISD-13
 COMFREY ISD-81
 COMMUNITY OF PEACE ACADEMY ISD-4015
 CONCORDIA EARLY LEARNING SCHOOL
 COOK ISD-166
 COON RAPIDS LEARNING CENTER
 COTTONWOOD-WOOD LAKE ISD-2167
 CROMWELL ISD-95
 CROOKSTON ISD-593
 CROSBY-IRONTON ISD-182
 CROSSLAKE COMMUNITY SCHOOL
 CROSSLAKE TELEPHONE
 CYBER VILLAGE ACADEMY ISD-4025
 CYRUS ISD-611
 DAKOTA INTERMEDIATE DIST-917
 DEER RIVER ISD-317
 DELANO ISD-879
 DETROIT LAKES ISD-22
 DETROIT LAKES NW TECH
 COLLEGE ISD-2200
 DILLWORTH-GLYNDON-FELTON ISD-2164
 DOVER-EYOTA ISD-533
 DULUTH ISD-709
 E CHAIN-GRANADA-HUNTLEY ISD-2536
 EAGLE BEND ISD-2759
 EAST CENTRAL ISD 2580
 EAST GRAND FORKS ISD-595
 ECI NOOMPA WOONSPE
 CHARTER SCH ISD-4028
 EDEN PRAIRIE ISD-272
 EDEN VALLEY-WATKINS ISD-463
 EDGERTON ISD-581
 EDINA ISD-273
 ELGIN ISD-806
 ELK RIVER ISD-728
 ELLSWORTH ISD-514
 ELY ISD-696
 EMILY ISD-4012
 ESKO ISD-99
 EVANSVILLE ISD-208
 EVELETH-GILBERT ISD-2154
 FAIRMONT-CEYLON ISD-2752
 FARIBAULT ISD-656
 FARMINGTON ISD-192
 FERGUS FALLS ISD-544
 FERGUS FALLS SPECIAL EDUCATION 935
 FERTILE ISD-599
 FISHER ISD-600
 FLOODWOOD ISD-698
 FOLEY ISD-51
 FOREST LAKE ISD-831
 FORT SNELLING ACADEMY
 FOSSTON ISD-601
 FOUR DIRECTIONS CHARTER SCHOOL
 FRAZEE-VERGAS ISD-23
 FRESHWATER EDUC DIST-6004
 FRIDLEY ISD-14
 FULDA ISD-505
 GFW ISD-2365
 GLENCOE-SILVER LAKE ISD-2859
 GLENNVILLE ISD-245
 GOODHUE EDUCATION DISTRICT ISD-6051
 GOODHUE ISD-253
 GOODRIDGE ISD-561
 GRAND MEADOW ISD-495
 GRAND RAPIDS ISD-318
 GRANITE FALLS-CLARKFIELD-ECHO ISD-2190
 GREENBUSH-MIDDLE RIVER ISD-2683
 GRYGLA ISD-447
 HALSTAD-HENDRUM ISD-2527
 HANCOCK ISD-768
 HARMONY-PRESTON-FOUNTAIN ISD-2198
 HARTLAND-N RICHLAND-ELLEDALE ISD-2168
 HASTINGS ISD-200
 HAWLEY ISD-150
 HAYFIELD ISD-203
 HEART OF THE EARTH CENTER,
 AM INDIAN EDUCATION
 HENDERSON-LE SUEUR ISD-2397
 HENDRICKS ISD-402
 HENNEPIN ISD-287
 HENNING ISD-545
 HERMAN ISD-264
 HERMANTOWN ISD-700
 HERON LAKE-OKABENA ISD-330
 HIAWATHA VALLEY ISD-6013
 HIBBING ISD-701
 HIGH SCHOOL FOR THE RECORDING ARTS
 HIGHER GROUND ACADEMY
 HILL CITY ISD-2
 HILLS BEAVER CREEK ISD-671
 HINCKLEY-FINLAYSON ISD-2165
 HITTERDAL-ULEN ISD-914
 HOLDINGFORD ISD-738
 HOPKINS ISD-270
 HOUSTON ISD-294
 HOWARD LAKE-WAVERLY-WINSTED ISD-2687
 HUTCHINSON ISD-423
 INTERNATIONAL FALLS ISD-361
 INVER GROVE HEIGHTS ISD-199
 ISLE ISD-473
 IVANHOE ISD-403
 JACKSON CENTRAL ISD-2862
 JANESVILLE-PEMBERTON-WALDORF ISD-2835
 JORDAN ISD-717
 KASSON-MANTORVILLE ISD-204
 KELLIHER ISD-36
 KELLOGG-WABASHA ISD-811
 KENYON-WANAMINGO ISD-2172
 KERKHOVEN-MURDOCK-SUNBURG ISD-775
 KIMBALL ISD-739
 KITTSOON CENTRAL ISD-2171
 LA CRESCENT ISD-300
 LA CRESCENT MONTESSORI ACADEMY
 LAKE ISD-381
 LAKE AGASSIZ SPECICAL EDUCATION COOP
 LAKE BENTON ISD-404
 LAKE CITY ISD-813
 LAKE COUNTRY SERVICE COOP
 LAKE CRYSTAL-WELCOME MEMORIAL ISD-2071
 LAKE OF THE WOODS ISD-390
 LAKE PARK-AUDUBON ISD-2889
 LAKE SUPERIOR ISD-381
 LAKEVILLE ISD-194
 LANCASTER ISD-356
 LANESBORO ISD-229
 LAPORTE ISD-306
 LEAF RIVER EDUCATIONAL DISTRICT ISD-6961
 LEARNING ADVENTURES MIDDLE SCHOOL

- LECENTER ISD-392
 LEROY-OSTRANDER ISD-499
 LESTER PRAIRIE ISD-424
 LEWISTON ISD-857
 LITCHFIELD ISD-465
 LITTLE FALLS ISD-482
 LITTLEFORK-BIG FALLS ISD-362
 LONG PRAIRIE-GREY EAGLE ISD-2753
 LONSDALE-MONTGOMERY ISD-394
 LUVERNE ISD-2184
 LYLE ISD-497
 LYND ISD-415
 MACCRAY ISD-2180
 MADELIA ISD-837
 MADISON ISD-2853
 MAHNOMEN ISD-432
 MAHTOMEDI ISD-832
 MANKATO ISD-77
 MAPLE LAKE ISD-881
 MAPLE RIVER ISD-2135
 MARSHALL CENTRAL ISD-441
 MARSHALL ISD-413
 MARTIN HUGHES CHARTER ISD-4040
 MATH AND SCIENCE ACADEMY
 MAZEPPA-ZUMBROTA ISD-2805
 MC GREGOR ISD-4
 MCLEOD WEST ISD-2887
 MEDFORD ISD-763
 MEEKER-WRIGHT SPECIAL EDUC COOP
 MELROSE ISD-740
 MENAHGA ISD-821
 METRO DEAF CHARTER ISD-4005
 METROPOLITAN ECSU REGION II
 MEXICA MULTICULTURAL EDUCATION
 MID STATE EDUCATION ISD-6979
 MIDWEST SPEC EDUC COOP 398
 MILACA ISD-912
 MILROY ISD-635
 MINNEAPOLIS SPECIAL SD-1
 MINNEOTA ISD-414
 MINNESOTA BUSINESS ACADEMY
 MINNESOTA RIVER VALLEY ISD-6018
 MINNESOTA TECHNOLOGY
 CHARTER DIST 4031
 MINNESOTA TRANSITIONS ISD-4017
 MINNESOTA VALLEY COOP CENTER
 MINNESOTA VALLEY EDUCATIONAL DISTRICT
 MINNETONKA ISD-276
 MINNEWASKA AREA ISD-2149
 MONTEVIDEO ISD-129
 MONTICELLO ISD-882
 MOORHEAD ISD-152
 MOOSE LAKE ISD-97
 MORA ISD-332
 MORGAN-FRANKLIN ISD-2754
 MORRIS ISD-769
 MOUNDS VIEW ISD-621
 MOUNTAIN LAKE ISD-173
 NASHWAUK-KEEWATIN ISD-319
 NETT LAKE ISD-707
 NEVIS ISD-308
 NEW HEIGHTS CHARTER ISD-4003
 NEW LONDON-SPICER ISD-345
 NEW PRAGUE ISD-721
 NEW SPIRIT CHARTER SCHOOL ISD-4029
 NEW ULM ISD-88
 NEW VISIONS CHARTER ISD-4011
 NEW YORK MILLS ISD-553
 NICOLLET ISD-507
 NORTH BRANCH ISD-138
 NORTH CENTRAL SERVICE COOPERATIVE 924
 NORTH LAKES ACADEMY
 NORTH ST PAUL-MAPLEWOOD ISD-622
 NORTHEAST EDUC COOP SERVICE UNIT
 NORTHEAST METRO INTERMEDIATE ISD-916
 NORTHFIELD ISD-659
 NORTHWEST MINNESOTA SERVICE COOP
 NORTHWEST REGIONAL INTERDISTRICT
 NORWOOD-YOUNG AMERICA ISD-108
 ODYSSEY CHARTER ISD-4030
 OGILVIE ISD-333
 OKLEE ISD-627
 ONAMIA ISD-480
 ORONO ISD-278
 ORTONVILLE ISD-62
 OSAKIS ISD-213
 OSSEO ISD-279
 OWATONNA ISD-761
 PACT CHARTER ISD-4008
 PARK RAPIDS ISD-309
 PARKERS PRAIRIE ISD-547
 PAYNESVILLE ISD-741
 PEAKS CHARTER SCHOOL ALEXANDRIA
 PEAKS CHARTER SCHOOL DULUTH
 PEAKS CHARTER SCHOOL SAINT CLOUD
 PELICAN RAPIDS ISD-548
 PEQUOT LAKES ISD-186
 PERHAM/DENT ISD-549
 PETERSON-RUSHFORD ISD-239
 PIERZ ISD-484
 PILLAGER ISD-116
 PINE CITY ISD-578
 PINE ISLAND ISD-255
 PINE POINT EXP SCH 25
 PIPESTONE-JASPER ISD-2689
 PLAINVIEW ISD-810
 PLUMMER ISD-628
 PRINCETON ISD-477
 PRIOR LAKE ISD-719
 PROCTOR ISD-704
 RANDOLPH ISD-195
 RED LAKE FALLS AREA SPEC EDUC COOP
 RED LAKE FALLS ISD-630
 RED LAKE ISD-38
 RED WING ISD-256
 REDROCK CENTRAL ISD-2884
 REDWOOD FALLS ISD-2897
 REGION I ESV
 REMER ISD-118
 RENVLL CO WEST ISD-3001
 RESOURCE TRAINING AND SOLUTIONS
 RICHFIELD ISD-280
 RIGHT STEP ACADEMY
 RIVER BEND ISD-6049
 ROBBINSDALE ISD-281
 ROCHESTER ISD-535
 ROCHESTER OFF-CAMPUS CHARTER ISD-4056
 ROCKFORD ISD-883
 ROOT RIVER EDUC DIST 6042
 ROSEAU ISD-682
 ROSEMOUNT ISD-196
 ROSEVILLE ISD-623
 ROTHSAVY ISD-850
 ROUND LAKE ISD-516
 ROYALTON ISD-485
 RUNESTONE AREA LEARNING CENTER 6014
 RUSH CITY ISD-139
 RUSSELL ISD-418
 RUTHTON ISD-584
 SARTELL ISD-748
 SAUK CENTRE ISD-743
 SAUK CENTRE WEST EDUCATION ISD-6026
 SAUK RAPIDS ISD-47
 SCHOOLCRAFT LEARNING COMMUNITY
 SEBEKA ISD-820
 SHAKOPEE ISD-720
 SHERBURNE-TRIMONT-WELCOME ISD-2448
 SIBLEY EAST ISD-2310
 SKILLS FOR TOMORROW JR HIGH ISD-4037
 SKILLS FOR TOMORROW SR HIGH ISD-4006
 SLAYTON-CHANDLER-
 LAKE WILSON ISD-2169
 SLEEPY EYE ISD-84
 SOJOURNER TRUTH ACADEMY
 CHARTER SCHOOL
 SOUTH CENTRAL SERVICE COOPERATIVE
 SOUTH KOOCHICHING ISD-363
 SOUTH ST PAUL SPECIAL ISD-6
 SOUTH WASHINGTON ISD-833
 SOUTHEAST SERVICE COOPERATIVE
 SOUTHLAND ISD-500
 SPRING GROVE ISD-297
 SPRING LAKE PARK ISD-16
 SPRING VALLEY-WYKOFF ISD-2137
 SPRINGFIELD ISD-85
 ST ANTHONY ISD-282
 ST CHARLES ISD-858
 ST CLAIR ISD-75
 ST CLOUD ISD-742
 ST FRANCIS ISD-15
 ST JAMES ISD-840
 ST LOUIS CO ISD-2142
 ST LOUIS PARK ISD-283
 ST MICHAEL-ALBERTVILLE ISD-885
 ST PAUL FAMILY LEARNING CENTER
 ST PAUL ISD-625
 ST PETER ISD-508
 STAPLES/MOTLEY ISD-2170
 STATE COMMUNITY COLLEGES
 STEPHEN-ARGYLE ISD-2856
 STEWARTVILLE ISD-534
 STILLWATER ISD-834
 SW & W CENTRAL EDUC SERVICE 991
 SWANVILLE ISD-486
 THIEF RIVER FALLS ISD-564
 TRACY ISD-417
 TRI DISTRICT ISD-6067
 TRI-COUNTY SCHOOLS ISD-2358
 TRUMAN ISD-458
 TWIN CITIES ACADEMY
 TWIN VALLEY/GARY ISD-2215
 TYLER ISD-409
 UNDERWOOD ISD-550
 UPSALA ISD-487
 VERNDALE ISD-818
 VILLAGE SCHOOL OF NORTHFIELD ISD-4021
 VIRGINIA ISD-706

WABASSO ISD-640
WACONIA ISD-110
WADENA ISD-2155
WARREN ISD-2176
WARROAD ISD-690
WASECA ISD-829
WASIOJA EDUCATION
TECHNOLOGY COOPERATIVE
WATERTOWN-MAYER ISD-111
WATERVILLE-ELYSIAN-MORRISTOWN ISD-2143
WAUBUN ISD-435
WAYZATA ISD-284
WEST CENTRAL AREA ISD-2342
WEST ST PAUL ISD-197
WESTBROOK WALNUT GROVE ISD-2898
WESTONKA ISD-277
WHEATON ISD-803
WHITE BEAR LAKE ISD-624
WILLMAR ISD-347
WILLOW RIVER ISD-577
WINDOM ISD-177
WIN-E-MAC ISD-2609
WINONA ISD-861
WORLD LEARNER CHARTER ISD-4016
WORTHINGTON ISD-518
WRENSHALL ISD-100
WRIGHT TECHNICAL CENTER ISD-966
ZUMBRO ISD-6012

MISCELLANEOUS

ADAMS HEALTH CARE CENTER
AFSCME COUNCIL 65
AITKIN COUNTY SWCD
ALEXANDRIA LAKE AREA SANITARY DISTRICT
ANOKA COUNTY SWCD
AREA II MINNESOTA RIVER BASIN PRODUCTS
ARROWHEAD LIBRARY SYSTEM
ARROWHEAD REGIONAL
DEVELOPMENT COMMISSION
ASSOCIATION OF MINNESOTA COUNTIES
BATTLE LAKE AREA LANDFILL ASSOCIATION
BATTLE LAKE MOTOR PATROL ASSOCIATION
BATTLE LAKE NURSING HOME
BECKER COUNTY SWCD
BELLE CREEK WATERSHED DISTRICT
BELTRAMI COUNTY SWCD
BELVIEW PARKVIEW HOME
BENTON COUNTY SWCD
BIG STONE COUNTY SWCD
BLUE EARTH COUNTY SWCD
BLUE EARTH RIVER BASIN INITIATIVE
BOARD OF PUBLIC DEFENDERS
BOIS DE SIOUX WATERSHED DISTRICT
BOVEY COLERAINE TREATMENT PLANT COMM
BRAHAM-ISANTI-MILACA JPB
BROWN COUNTY SWCD
CALLAWAY OGEMA POLICE DEPARTMENT JPB
CARLTON COUNTY SWCD
CARVER COUNTY SWCD
CASS COUNTY SWCD
CCLNS JOINT POWERS BOARD #3
CENTENNIAL LAKES POLICE DEPT
CENTRAL MINNESOTA COUNTY
SWCD - CLUSTER 5
CENTRAL ST CROIX VALLEY CABLE

CHISAGO COUNTY SWCD
CHISHOLM-HIBBING AIRPORT AUTHORITY
CITY EMPLOYEES' UNION 363
CLARKFIELD CARE CENTER
CLAY COUNTY SWCD
CLEARWATER COUNTY SWCD
CLEARWATER RIVER WATERSHED DISTRICT
COOK COUNTY SWCD
COON CREEK WATERSHED DISTRICT
COTTONWOOD COUNTY SWCD
COTTONWOOD-JACKSON HEALTH SERVICE
CROW RIVER RECREATION DEPARTMENT
CROW WING COUNTY SWCD
DAKOTA COUNTY SWCD
DASSEL NURSING HOME
DELAVIN-EASTON PUBLIC SAFETY
DEPT OF MILITARY AFFAIRS
DODGE COUNTY SWCD
DOUGLAS COUNTY SWCD
DOVER-EYOTA ST CHARLES
SANITARY DISTRICT
DULUTH AIRPORT AUTHORITY
EAST CENTRAL COOPERATIVE CENTER
EAST CENTRAL REGIONAL
DEVELOPMENT COMM
EAST CENTRAL REGIONAL LIBRARY
EAST OTTER TAIL COUNTY SWCD
EAST POLK COUNTY SWCD
EAST RANGE JOINT POWERS BOARD
EDUCATION MINNESOTA
EFSO JOINT RECREATION BOARD
ELLSWORTH PARKVIEW MANOR NURSING
FARIBAULT COUNTY SWCD
FERTILE FAIR MEADOW NURSING HOME
FREEBORN COUNTY SWCD
GAYLORD LAKEVIEW HOME
GLENCOE REGIONAL HEALTH CENTER
GLENWOOD JOINTPOWER SCH DIST
GOODHUE COUNTY SWCD
GOVERNMENT TRAINING SERVICE
GRANT COUNTY SWCD
GREAT RIVER REGIONAL LIBRARY
GREENWAY JOINT RECREATION
ASSOCIATION
HAWLEY AREA EMS JPB
HAYFIELD FIELD CREST CARE CENTER
HEADWATER NUTRITION PROJECT
HEADWATERS REGIONAL
DEVELOPMENT COMM
HERON LAKE WATERSHED DISTRICT
HIGHLAND VOCATIONAL
HUBBARD COUNTY SWCD
HUMAN SERVICE BOARD
MARTIN-FARIBAULT CO
IMPACT 6 JOINT POWERS BOARD
ISANTI COUNTY SWCD
ITASCA COUNTY SWCD
JANESVILLE NURSING HOME
JPB ZONE 10
KANABEC COUNTY SWCD
KANDIYOHI AREA TRANSIT JPB
KANDIYOHI COUNTY SWCD
KITCHIGAMI REGIONAL LIBRARY
KITTSOON COUNTY SWCD
KITTSOON-MARSHALL RURAL WATER SYST
KOOCHICHING COUNTY SWCD
LAC QUI PARLE COUNTY SWCD
LAC QUI PARLE/
YELLOW MEDICINE WATERSHED

LAKE AGASSIZ REGIONAL LIBRARY
LAKE COUNTY SWCD
LAKEFIELD COLONIAL NURSING HOME
LAKE MINNETONKA
COMMUNICATION COMMISSION
LAKE MINNETONKA
CONSERVATION DISTRICT
LAKE OF THE WOODS COUNTY SWCD
LAKES AREA RECREATION
LAKEVIEW HOME
LAMBERTON VALLEY VIEW MANOR
LEAGUE OF MINNESOTA CITIES
LINCOLN-LYON & MURRAY HUMAN SERVICES
LINCOLN COUNTY SWCD
LOCAL 132
LOCAL GOVERNMENT INFORMATION SYSTEM
LONG LAKE CONSERVATION CENTER
LOWER MINNESOTA RIVER
WATERSHED DISTRICT
LYON COUNTY SWCD
MAHNOMEN COUNTY SWCD
MAHNOMEN HEALTH CENTER JPB
MN ASSOC OF PROFESSIONAL EMPLOYEES
MARSHALL COUNTY SWCD
MARSHALL- POLK RURAL WATER SYSTEM
MARSHALL-BELTRAMI COUNTY SWCD
MARTIN COUNTY SWCD
MARTIN-FARIBAULT CO
PRAIRIELAND WASTE BD
MEEKER COUNTY SWCD
MENAHA NURSING HOME
METRO INTER-COUNTY ASSOCIATION
METRO WASTE CONTROL COMMISSION
METRONET
METROPOLITAN AIRPORTS COMMISSION
METROPOLITAN CABLE NETWORK
METROPOLITAN COUNCIL
METROPOLITAN COUNCIL TRANSIT OPS
METROPOLITAN LIBRARY SERVICE AGENCY
METROPOLITAN MOSQUITO
CONTROL DISTRICT
METROPOLITAN SPORTS
FACILITY COMMISSION
MIDDLE RIVER/SNAKE RIVER WD
MID-MINNESOTA DEVELOPMENT
COMMISSION
MILLE LACS COUNTY SWCD
MILLE LACS TRIBAL POLICE
MINNEAPOLIS YOUTH COOR BOARD
MINNEHAHA CREEK WD
MINNESOTA COUNTIES
COMPUTER COOPERATIVE
MINNESOTA COUNTIES INS TRUST
MINNESOTA MUNICIPAL
UTILITY ASSOCIATION
MINNESOTA RIVER SOURCE JPB
MINNESOTA STATE SHERIFFS ASSOCIATION
MINNESOTA VALLEY REGIONAL LIBRARY
MINNESOTA VALLEY TRANSIT AUTHORITY
MOOSE LAKE-WINDEMERE
MORRISON COUNTY SWCD
MOWER COUNTY SWCD
MULTI COUNTY NURSING SERVICE
NEW RICHLAND CARE CENTER
NICOLLET TRI-CITY JOINT POWERS BD

NICOLLET COUNTY SWCD
 NOBLESCOUNTY SWCD
 NORMAN COUNTY SWCD
 NORTH CENTRAL MINNESOTA COUNTY SWCD JPB
 NORTH COUNTRY LIBRARY COOPERATIVE
 NORTH COUNTRY VOCATIONAL COOP CENTER
 NORTH FORK CROW RIVER WATERSHED DISTRICT
 NORTH KITTSON RWS
 NORTH METRO MAYORS ASSOCIATION
 NORTH METROPOLITAN TELECOMMUNICATIONS
 NORTH SHORE COLLABORATIVE JPB
 NORTH ST LOUISCOUNTY SWCD
 NORTH SUBURBAN CABLE COMMISSION
 NORTHEAST MINNESOTA OFFICE JOB TRAINING
 NORTHERN DAKOTA CABLE COMMISSION
 NORTHERN LIGHTS LIBRARY NETWORK
 NORTHWEST HENNEPIN HUMAN SERVICE
 NORTHWEST REGIONAL DEVELOPMENT COMM
 NORTHWEST SUBURBAN CABLE COMMUN COMM
 NORTHWESTERN MINNESOTA JOINT POWER BOARD
 OAK TERRACE NURSING HOME
 OLMSTED COUNTY SWCD
 OTTERTAIL WATER MANAGMENT DIST
 PACT 4 FAMILIES COLLABORATIVE
 PELICAN RIVER WD
 PENNINGTON COUNTY SWCD
 PENNINGTON-RED LAKE NURSING SERVI
 PINE COUNTY SWCD
 PINE RIVER SD
 PINE TO PRAIRIE COOP CENTER
 PIONEERLAND LIBRARY SYSTEM
 PIPESTONE COUNTY SWCD
 PLAINVIEW-ELGIN WATER DISTRICT
 PLUM CREEK LIBRARY SYSTEM
 POLICE DEPT OF SHERBURN AND WELCOME
 POPE COUNTY SWCD
 PRAIRIE LAKES DETENTION CENTER
 PRIME WEST HEALTH SYSTEM JPB
 PRIOR LAKE-SPRING LAKE WD
 PUBLIC EMPLOYEES RETIREMENT ASSOCIATION
 QUAD CITY CABLE COMMISSION
 QUAD CITY COOPERATIVE
 RAINBOW RIDER TRANSIT BOARD
 RAMSEY-WASHINGTON SUBURBAN CABLE COMM
 RANGE ASSOCIATION OF MUNICIPALITIES
 RED LAKE COUNTY SWCD
 RED LAKE WD
 RED RIVER VALLEY VOCATIONAL COOP CTNR
 REDWOOD COUNTY SWCD
 REDWOOD-COTTONWOOD RIVERS CONTROL AREA
 REGION IX DEVELOPMENT COMMISSION
 REGION V DEVELOPMENT COMMISSION
 RENVILLE COUNTY SWCD
 RENVILLE NURSING HOME
 RICE COUNTY SWCD
 RICE CREEK WD
 RICE-STEELE CONSOLIDATED DISPATCH
 RICH PRAIRIE SEWER AND WATER DISTRICT
 ROCK COUNTY RWS
 ROSEAU COUNTY SWCD
 ROSEAU RIVER WATERSHED DISTRICT
 RUNESTONE COOPERATIVE CENTER
 RUSHFORD VILLAGE
 RUSH LAKE AREA SD
 SAND HILL RIVER WATERSHED DISTRICT
 SAUK CENTRE WD
 SCOTT COUNTY SWCD
 SCOTT JOINT CITY PROSECUTION
 SERPENT LAKE SANITARY SEWER DISTRICT
 SERVICE EMPLOYEES LOCAL 63
 SHERBURNE COUNTY SWCD
 SIBLEY COUNTY SWCD
 SOUTH CENTRAL MINNESOTA INTERLIBRARY EXC
 SOUTH LAKE MINNETONKA POLICE DEPT
 SOUTH ST LOUIS COUNTY SWCD
 SOUTH WASHINGTON WATERSHED DISTRICT
 SOUTHEAST COUNTY SWCD TECH SUPPORT JPB
 SOUTHERN MN -BASED PURCHASING JPB
 SOUTHERN MN MUNICIPAL POWER AGENCY
 SPRING GROVE AMBULANCE CORP
 SPRING LAKE PARK-BLAINE-MOUNDS VIEW FIRE
 SPRING LAKE PARK FIRE JPB
 ST BONIF/MINNESTRISTA POLICE COMMISSION
 ST CLOUD AREA PLAN ORGINIZATION
 ST CLOUD METRO TRANSIT COMMISSION
 ST LOUIS & LAKE REGIONAL RAILROAD
 ST PAUL ARENA COMPANY
 STATE SUPREME COURT JUDICIAL DISTRICT
 STEARNS COUNTY SWCD
 STEELE COUNTY SWCD
 STEVENS COUNTY SWCD
 STMA ARENA JPB
 SUB SCH EMP #284
 SUNNYSIDE NURSING HOME
 SW MULTI-CO INTERLIB EXCHG
 SW REGIONAL DEVEL COMM
 SWIFT COUNTY SWCD
 TODD COUNTY SWCD
 TOWNSHIP MAINTANCE ASSOCIATION
 TRAILBLAZER JOINT POWERS BOARD
 TRAVERSE COUNTY SWCD
 TRAVERSE DES SIOUX REGIONAL LIBRARY
 TRI-CITY BIOSOLIDS DISPOSAL AUTHORITY
 TRIMONT HEALTH CARE CENTER
 TURTLE CREEK WD
 TWO RIVER WATERSHED DISTRICT
 ULEN VIKING MANOR
 UNIVERSITY OF MINNESOTA
 UPPER MINNESOTA RIVER WD
 UPPER MINNESOTA VALLEY REG DEVEL COMM
 UTILITIES PLUS
 VADNAIS LAKE AREA
 VIKING LIBRARY SYSTEM
 WABASHA COUNTY SWCD
 WADENA COUNTY SWCD
 WASECA COOPERATIVE CENTER
 WASECA COUNTY SWCD
 WASHINGTONCOUNTY SWCD
 WATONWAN COUNTY SWCD
 WEST CENTRAL AREA AGENCY ON AGING
 WEST CENTRAL MINNESOTA JPB
 WEST HENNEPIN PUBLIC SAFETY
 WEST METRO FIRE-RESCUE DISTRICT
 WEST COUNTY SWCD
 WEST POLK COUNTY
 WESTERN AREA CITY & COOPERATIVE
 WESTERN LAKE SUPERIOR SANITARY DISTRICT
 WHITEWATER WATERSHED PROJECT JPB
 WILKIN COUNTY SWCD
 WINONA COUNTY SWCD
 WORTHINGTON CABLE 3 JOINT POWERS BOARD
 YELLOW MEDICINE COUNTY SWCD
 YELLOW MEDICINE RIVER WD



**Public Employees Retirement
Association of Minnesota**
60 Empire Drive, Suite 200
St. Paul, Minnesota 55103-2088